

# STEPHANOTIS FINANCE LIMITED

(FORMERLY: VORA CONSTRUCTIONS LTD)

3, Ground Floor, Durga Chambers, Veena Industrial Estate, Off Veera Desai Road, Andheri (W) Mumbai – 400 053

Email ID: voraconstructions@ymail.com CIN: L45200MH1985PLC036089

Website: www.voraconstructions.com

7<sup>th</sup> November, 2020

To,  
Department of Corporate Services  
**BSE Ltd.,**  
Phiroze Ieejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**BSE Script Code: 512215**

**Subject : Re-Submission of Annual Report under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Please find enclosed Notice of 35th Annual General Meeting and copy of Annual Report as per Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the year ended 31st March, 2020.

Please take the same on your record and oblige.

Thanking you,

Yours Faithfully

**For STEPHANOTIS FINANCE LIMITED**

**S/d**

**Rashmi Raturi**

Company Secretary & Compliance Officer

Mob. No.: 9820884310

**35<sup>TH</sup>  
ANNUAL REPORT  
2019-2020**

# **STEPHANOTIS FINANCE LIMITED**



**Registered office:**

**Stephanotis Financial Limited**

3, Ground Floor, Durga Chamber, Veena Industrial Estate,  
Off Veera Desai Road, Andheri (West), Mumbai – 400 053

CIN: L45200MH1985PLC036089

Email: [voraconstructions@ymail.com](mailto:voraconstructions@ymail.com)

# STEPHANOTIS FINANCIAL LIMITED

## CORPORATE INFORMATION

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### 35<sup>TH</sup> ANNUAL GENERAL MEETING

Monday, November 30, 2020

### BOARD OF DIRECTORS

**Mr. Sureshababu G. Malge**

Chairman & Managing director

**Mr. Sumit S. Malge**

Director

**Mr. Jayesh J. Shah**

Independent director

**Mrs. Rizwana Ruman**

Independent director

**Mr. Kanwaljit Singh**

Independent director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Miss Rashmi Raturi

### CHIEF FINANCIAL OFFICER

Mr. Anand S. Jain

### REGISTERED OFFICE

3, Ground Floor, Durga Chamber,

Veena Industrial Estate,

Off Veena Desai Road,

Andheri-(West),

Mumbai-400 053

CIN: L45200MH1985PLC036089

Email: voraconstructions@ymail.com

### CIN :

L45200MH1985PLC036089

### ISIN

INE902L01016

### BSE SCRIIP CODE

512215

### STATUTORY AUDITORS

NGST & ASSOCIATES

Chartered Accountants,

1111/11th Floor,

Ghanshyam Enclave,

Lalipada Police Chowki, Link Road,

Kandivali (West),

Mumbai – 400 067

### SECRETARIAL AUDITORS

M/S. SAMUEL & ASSOCIATES,

Practicing company secretaries,

Thane

### BANKERS

Indian Bank – Mumbai

Axis Bank – Thane

### REGISTRAR & SHARE TRANSFER AGENT (RTA)

PURVA SHAREGISTRY INDIA PRIVATE LIMITED

### REGISTERED OFFICE ADDRESS OF RTA

Shiv Shakti Industrial Estates,

G. Floor, Unit No. 9,

7-B, J. R. Boricha Marg,

Sitaram Mill Compound,

Mumbai – 400 011,

Maharashtra, India.

Ph. no.: (022) 2301 6761 / 2301 8261

Fax: (022) 2301 8261 ,

Email:support@purvashare.com

## **NOTICE**

**NOTICE is hereby given that 35th Annual General Meeting of Stephanotis Finance Limited (Formerly Known as Vora Constructions Ltd) will be held on Monday, 30th November, 2020 at 2.00 p.m. at 3, Ground Floor, Durga Chambers, Veena Industrial Estate, Off Veera Desai Road, Andheri (West) Mumbai -400053 to transact following business:**

### **Ordinary Businesses:**

#### **Item no. 1 – Adoption of financial statements**

To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on March 31, 2020 together with Reports of the Directors and Auditors thereon.

#### **Item no. 2 – Re-appointment of director(s) retiring by rotation**

To appoint a Director in place of Mr. Sumit Malge (DIN: 07157093), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

#### **Registered Office**

3, Ground Floor,  
Durga Chambers,  
Veena Industrial Estate,  
Off Veera Desai Road,  
Andheri(W),  
Mumbai- 4000 53,  
Maharashtra, India

By order of board of directors  
For **Stephanotis Financial Limited**  
(Formerly Vora Constructions Ltd.)

**S/d**  
**Sureshbabu G. Malge**  
(Chairman & managing director)  
(DIN: 01481222)

Mumbai, November 2, 2020

**Annexure to item no. 2 of Notice:**

Details of Mr. Sumit Suresh Malge DIN no. 02413173, who retires by rotation and seeks reappointment at the forthcoming AGM (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 on General Meetings.

<b>Name of Director</b>	<b>Mr. Sumit Sureshbabu Malge</b>
<b>DIN</b>	<b>02413173</b>
<b>Date of Birth</b>	<b>26/11/1988</b>
<b>Date of original appointment</b>	<b>28/07/2017</b>
<b>Relationship with Directors</b>	<b>Son of Chairman</b>
<b>Expertise in specific functional Area</b>	<b>Real Estate, Constructions Business</b>
<b>Qualification(s)</b>	<b>Commerce Graduate</b>
<b>Directorship held in other Listed Companies</b>	<b>Nil</b>
<b>Chairmanship/Membership of committees of other public companies</b>	<b>Nil</b>
<b>Number of Shares held in the Company as on 31 March, 2020</b>	<b>6,29,964</b>

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 24<sup>th</sup> November 2020 to Monday, 30<sup>th</sup> November 2020** (both days inclusive).
4. Members are requested to expeditiously intimate any change in their address registered with the Company. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Purva Shareregistry (India) Pvt. Ltd.
5. Members are requested to bring their attendance slip along with copy of the Annual Report at the time of Annual General Meeting.
6. The Notice of AGM along with the Annual Report 2019-20 is being sent by electronic mode to those members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same.
7. Shareholders desiring any information as regards the proposed resolutions are requested to write to the Company at least seven working days in advance so as to enable the management to keep the information ready at the meeting.
8. In the terms of Section 72 of the Companies Act, 2013, nomination facility is available to the individual shareholder. The shareholders who are desirous of availing this facility may kindly write to the Registrars & Transfer Agents in Form SH-13 prescribed by the Government which can be obtained from the Company's R&T Agents.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to its members to enable them to exercise their right to vote in respect of the business(es) to be transacted at the 38<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday, 30<sup>th</sup> September, 2020 at 02.00 P.M. The Company has engaged National Securities Depositories Limited (NSDL) as the authorized agency to provide the remote e-voting facility. The remote e-voting facility will be available during the following period:

<b>Commencement of remote e-voting</b>	<b>9.00 A.M. on Friday, 27<sup>th</sup> November, 2020</b>
<b>End of remote e-voting</b>	<b>5.00 P.M. on Sunday, 29<sup>th</sup> November, 2020</b>

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

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

**system. Details on Step 1 is mentioned below:**

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

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- iv. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** <b>(EVEN of your company is 114840)</b>

- v. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’
    - (i) If your email ID is registered in your Demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

- vi. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on [“Forgot User Details/Password?”](#) (If you are holding shares in your Demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [“Physical User Reset Password?”](#) (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat account number/folio number, your PAN, your name and your registered address.
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

- I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e- Voting. Then, click on Active Voting Cycles.
- II. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- III. Select “EVEN” of company for which you wish to cast your vote.
- IV. Now you are ready for e-Voting as the Voting page opens.
- V. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- VI. Upon confirmation, the message “Vote cast successfully” will be displayed.
- VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [pradeep.samuel@hotmail.com](mailto:pradeep.samuel@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

12. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **23<sup>rd</sup> November, 2020**.



13. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **23<sup>rd</sup> November, 2020**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA.
14. A member may participate in the AGM even after exercising his right to vote through remote e- voting but shall not be allowed to vote again at the AGM.
15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
16. Mr. Pradeep Samuel, Practicing Company Secretaries, (COP No. 21096) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
17. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
18. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
19. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.stephanotis.in](http://www.stephanotis.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Place: Mumbai

Date: 2<sup>nd</sup> November, 2020

By order of Board of Directors  
For **Stephanotis Finance Limited**  
(Formerly: Vora Constructions Ltd.)

Sd/-

**REGISTERED OFFICE**

3, Ground Flr, Durga Chambers  
Veena Industrial Estate, Off Veera  
Desai Rd, Andheri (West), Mumbai-  
400 053

Sureshbabu S. Malge  
(Chairman & Managing Director)  
(DIN : 01481222)

**DIRECTORS' REPORT**

To,  
The Members of  
**Stephanotis Finance Limited**

Your Directors have pleasure in presenting Thirty Fifth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2020.

**FINANCIAL HIGHLIGHTS:**

(₹ in Lacs)		
Particulars	2019-20	2018-19
Revenue from Operations	184.62	362.94
Total Expenses	(168.45)	(237.69)
Profit / (loss) before exceptional items & provision for tax	16.17	125.26
Exceptional items	0	0
Profit / (loss) before tax	16.16	125.26
Tax expenses	(4.05)	(35.00)
Profit/(Loss) after Tax	12.12	90.26
EPS - basic & diluted (₹)	0.19	1.40

**INDIAN ACCOUNTING STANDARDS:**

As per the road map notified by the Ministry of Corporate Affairs (MCA), the Company has adopted Indian Accounting Standards (Ind-AS) w.e.f. financial year 2019-20 and accordingly. The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs (MCA) under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and applicable guidelines issued by the Reserve Bank of India (RBI). The financial statements have been prepared in accordance with the format prescribed for a Non-Banking Financial Company (NBFC) in compliance of the Companies (Indian Accounting Standards) Rules, 2016, in Division III of Notification No. GSR 1022 (E) dated October 11th, 2018, issued by the Ministry of Corporate Affairs.

**COMPANY AFFAIRS:**

During the financial year under report, total income of the company stands to '184.62 lakhs' as compared to '362.94 lakhs' during the previous financial year. The revenue from operations has shown drop of 49.13% in compare to previous financial year. Net profit after tax has also been decreased to ` 12.12 lakhs' as compared to ` 90.26 lakhs' for the financial year 2018-19 shown drop of 86.57%. To conserve the resources for future working capital requirements, the Directors are not recommending any dividend.

Company is currently in the business of Non-Banking Financial Services and other financial activities.

The management is making efforts for evaluating possibilities of designing diverse financial products including lending to customers of real estate projects to align exposure to match with the progress of property development; however the activities relating to NBFC business within the guidelines and stipulations of RBI would continue to be focused on lending.

There has been a distinct slowdown and the tight liquidity scenario pertaining to non-banking financial companies (NBFC) and Housing Finance Companies (HFCs). There is a critical need to re-install confidence in lenders to support economic growth. The banks are reluctant to lend and are only going for “high-rated” NBFCs and HFCs. Meanwhile credit outflow to several other small entities has been choked.

The Recessionary trend and tightening of finance availability in the market had its impact on the recovery of interest and recovery of loan. In turn general NBFCs have to face the difficulties in disbursement due to poor recovery of dues and prolonged slow down.

#### **DIVIDEND:**

In order to preserve funds for future activities, the Board of Directors of your Company do not recommend any Dividend for the FY 2019-20.

#### **AMOUNT TRANSFERRED TO RESERVE:**

During the year, the Company does not propose to transfer any amount to the any Reserve.

#### **DEPOSITS:**

During the financial year ended on March 31, 2020, the company has not accepted any deposits from the public within the meaning of the provisions of applicable directions and notifications issued by the Reserve Bank of India in this respect.

Further, being a non-deposit taking non-banking financial company, the disclosures with respect to deposits, required as per rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014 read with the Companies (Acceptance of Deposits) Rules, 2014 and section 73 of the Companies Act, 2013 are not applicable to it.

#### **SHARE CAPITAL:**

During the financial year under report, the company has neither made any issue of equity shares with differential voting rights, sweat equity shares or under employee stock options scheme nor it has made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

As on March 31, 2020, the authorized share capital of the company stands at ₹ 9,00,00,000/- consisting of 90,00,000 number of equity shares of ₹ 10/- each and issued, subscribed and paid up share capital of the company stands at ₹ 6,44,93,800/- consisting of 64,49,380 number of equity shares of ₹ 10/- each fully paid-up.

#### **DETAILS OF SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:**

The company doesn't have any subsidiary, joint venture or associate company.

#### **EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the annual return as at March 31, 2020, in the form MGT - 9 is enclosed herewith.

**IMPACT OF COVID-19 PANDEMIC:**

The outbreak of COVID-19 was declared as a pandemic by the World Health Organization, which has infected millions number of people globally. Covid-19 is seen having an unprecedented impact on people and economies worldwide.

The spread of COVID-19 pandemic affected activities of businesses across the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, travel bans, quarantines, social distancing and such other emergency measures. In assessing the recoverability of receivables, inventories, loans and other financial assets, the Company has considered internal and external information up to the date of approval of the financial statements. Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these financial statements.

We are closely monitoring the situation and will take all necessary actions as may be required in the interest of all stakeholders. The Company is following Government Directives regarding health and safety of all employees and has already adopted the practice of work from home for its employees in order to minimize the risk and contain the spread of COVID-19. In the operations, focus is being maintained on social distancing and hygienic practices, for the safety of the people.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:**

There are no material changes and commitments, affecting the financial position of the company which have been occurred between the end of the financial year i.e. March 31, 2020 and the date of signing of the directors' report i.e. 2<sup>nd</sup> November, 2020 except the effect of global pandemic i.e. COVID-19 details of which are given already above in this report.

**APPOINTMENTS AND RESIGNATIONS DURING THE FINANCIAL YEAR:**

Miss Rashmi S. Raturi was appointed as Company Secretary and compliance Officer of the Company by the Board of Directors with effect from August 31, 2019.

Secretarial Auditor, M/s Amruta Kothari & Associates, Practicing Company Secretaries, Mumbai was resigned from the post of Secretarial Auditor and M/s Samuel & Associates, Mumbai has been appointed as Secretarial Auditor Secretarial for the financial year 2019-2020.

Miss Rashmi S. Raturi, Company Secretary and Compliance Officer of the Company, also appointed as Internal Auditor of the Company with effect from 31/ 08/ 2019 and resignation of Mrs. Amruta Prashant Kothari as internal Auditor accepted by the Company.

**PARTICULARS OF LOAN, INVESTMENTS GUARANTEES AND SECURITIES UNDER SECTION 186:**

Complete details of LIGS covered under section 186 of The Companies Act, 2013 as attached in the financial statement and notes there under.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):****Details of Directors and Key Managerial Personnel (KMP):**

<b>SR. NO.</b>	<b>NAME AND ADDRESS</b>	<b>DESIGNATION</b>	<b>DATE OF APPOINTMENT</b>	<b>DIN/PAN</b>
1	Mr. Sureshbabu Ganpati Malge	Chairman & Managing Director	28/07/2017	01481222
2	Mr. Jayesh Jashvantlal Shah	Non Executive, Independent Director	01/09/2017	00260876
3	Mr. Sumit Sureshbabu Malge	Director	28/07/2017	02413173
4	Mr. Kanwaljit Singh	Non-Executive, Independent Director	12/05/2018	08122223
5	Mrs. Rizwana Muazzam Rumani	Non-Executive, Independent Director	12/05/2018	08122263
6	Mr. Sonu Sureshbabu Malgee	Chief Executive Officer	18/05/2018	AOPPM0149B
7	Mr. Anand Suresh Jain	Chief Finance Officer	02/07/2015	AGUPJ8122E
8	Miss. Rashmi Satyendra Raturi	Company Secretary	31/08/2019	AVOPR6680A

**Director retiring by rotation**

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with the articles of association of the company, Mr. Sumit S. Malge, non-executive director of the company, retires by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment. The board of directors of the company recommends his re-appointment.

**Independent directors**

The independent directors have submitted the declaration, confirming that they meet the criteria of independence as prescribed under both the provisions of the relevant laws. Further, the independent directors have complied with the code for independent directors prescribed in schedule IV of the Companies Act, 2013 and code of conduct prescribed for the directors, management and senior managerial personnel.

Further, a separate meeting of independent directors of the company was held on February 13, 2020 in accordance with the provisions of clause VII of the schedule IV of the Companies Act, 2013.

All the independent directors of the company have completed their registration on the independent directors' data bank within the timeline stipulated by the law.

**Key managerial personnel**

Pursuant to the provisions of section 203 of the Companies Act, 2013, Mr. Sureshbabu S. Malge holds position of managing director, Miss Rashmi S. Raturi holds position of company secretary and Mr. Anand S. Jain holds the position of chief financial officer of the company.

**Woman director**

Pursuant to the provisions of section 149 of the Companies Act, 2013 and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Rizwana Rumani holds position of a non-executive Independent woman director of the company.

All of the directors of the company have confirmed that they are not disqualified under provisions of section 164 of the Companies Act, 2013 from being appointed / continue to hold position of directors of the company.

**NUMBER OF BOARD MEETINGS:**

During the Financial Year 2019-20, four meetings of the Board of Directors of the company were held. The date of the meetings of the board held is as under-

Sr. No.	Date of Meeting	Total strength of the Board	No. of Directors Present
1	19 <sup>th</sup> April, 2019	5	5
2	24 <sup>th</sup> April, 2019	5	5
3	30 <sup>th</sup> May, 2019	5	5
4	10 <sup>th</sup> Aug, 2019	5	5
5	31 <sup>st</sup> Aug, 2019	5	5
6	14 <sup>th</sup> Nov, 2019	5	5
7	13 <sup>th</sup> Feb, 2020	5	5

The intervening gap between any two board meetings did not exceed 120 days, as prescribed under the provisions of the law(s), except where relaxation provided by the appropriate authorities.

**INDEPENDENT DIRECTORS' MEETING:**

During the year under review, Independent Directors met on 13th February 2020, inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity content and timelessness of flow of information between the management and the Board.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board.

**AUDIT COMMITTEE:**

The Audit Committee has been reconstituted as per regulation 18 of SEBI(LODR) regulations, 2015 & Section 177 of Companies Act, 2013 during the year as:

<b>Name of Director</b>	<b>Designation</b>
Mr. Jayesh Shah	Chairman (Independent Director)
Mr. Kanwaljit Singh	Member (Independent Director)
Mr. Sumit Malge	Member (Director)

**NOMINATION & REMUNERATION COMMITTEE:**

In compliance with section 178 of the Act & regulation 19 of SEBI(LODR) regulations, 2015 the Board has constituted "Nomination and Remuneration Committee as:

<b>Name of Director</b>	<b>Designation</b>
Mr. Kanwaljit Singh	Chairman (Independent Director)
Mr. Jayesh Shah	Member (Independent Director)
Mr. Sumit Malge	Member (Director)

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In compliance with regulation 20 of SEBI(LODR) regulations, 2015 the Board has constituted during the year as:

<b>Name of Director</b>	<b>Designation</b>
Mrs. Rizwana Rumani	Chairman (Independent Director)
Mr. Kanwaljit Singh	Member (Independent Director)
Mr. Sumit Malge	Member (Director)

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

As required under Rule 8 (3) of the Companies (Accounts) Rules, 2014, the particulars relating to the conservation of energy, technology absorption and the foreign exchange earnings and out go are NIL.

**INTERNAL CONTROL AND SYSTEM:**

Adequate internal controls, systems, and checks are in place, commensurate with the size of the Company and the nature of its business. The management exercises financial control on the Company's operations through monitoring and standard operating procedures.

**PARTICULARS OF EMPLOYEES:**

During the year, there was no employee in receipt of remuneration as prescribed in the Rule 5(2) of the companies (Appointment and Remuneration of managerial personnel) Rules, 2014.

**BOARD EVALUATION:**

Formal Annual evaluation has been made by the Board of its own Performance and that of its Committees & Individual Directors during the meeting of Board of Directors and by common discussion with concerned persons.

**MANAGERIAL REMUNERATION:**

The Disclosure pursuant to Rule 5 (1) of the Companies (Appointment of Managerial Personnel) 2014 is as follows:

Name of the Director	Amount of remuneration to Directors
Sureshababu Malge	6,00,000/-

1. The Independent Directors do not receive any sitting fees.
2. Remuneration of Key Managerial Personnel/Director are disclosed in Annual Return i.e. MGT-9.
3. As on 31st March 2020, there were a total of 4 employees on the roll of the Company.
4. It is affirmed that the remuneration is as per the remuneration policy of the company.
  - A) None of the employee of the Company was in receipt of the remuneration (throughout the financial year or part thereof) as per Rule 5(2) of the Companies (Appointment of Managerial Personnel) 2014.
  - B) The Company do not have any Holding or Subsidiary Company and None of the Directors of the Company are the Managing Director or Whole Time Director in the Associate Company.

**CORPORATE SOCIAL RESPONSIBILITY:**

During the financial year under report, your company did not meet the criteria laid down under the provisions of section 135(1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly the provisions including but not limited upto constitution of corporate social responsibility committee and formulation / implementation of a policy on corporate social responsibility are not applicable to the company.

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

There are no amounts due and outstanding to be credited to investor Education and Protection Fund as 31st March, 2020.

**DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The company promotes ethical behavior in all its business activities and has put in place a mechanism wherein the employees are free to report illegal or unethical behavior, actual or suspected fraud or violation of the company's of conduct or corporate governance policies, raise concerns against management and business practices, incorrect or misrepresentation of any financial statements and reports or any improper activity being negative in nature to the chairman of the audit committee of the company or chairman of the board. The whistle blower policy has been appropriately communicated within the company.



Under the whistle blower policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel have been denied access to the audit committee. The functioning of the vigil mechanism is reviewed by the audit committee from time to time.

The Company has Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. No personnel had been denied access to the Audit Committee to lodge their grievances.

#### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

There were no complaints reported under the prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

#### **FRAUD REPORTING (REQUIRED BY COMPANIES AMENDMENT BILL, 2014):**

No Fraud reported / observed during the financial year 2019-2020.

#### **STATEMENT OF DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

The company has developed and implemented a risk management policy to meet the risks associated with the business of the company. Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the risk management committee of the board. The company, while giving loan to its customers, follows the criteria and procedure laid down in policy and the credibility of the clients 2019-20.

#### **STATUTORY AUDITORS:**

The Auditors M/s. NGST & Associates, Chartered Accountants, Mumbai (Firm Registration No.135159W), were appointed as Statutory Auditors of the Company for the period of five consecutive years in accordance with the provisions of the Companies Act, 2013 at the conclusion of Annual General Meeting held on 29th September, 2017. In terms of provisions of section 139 (1) the appointment of M/s NGST & Associates, Chartered Accountants, as statutory auditors of the Company.

In accordance with the provisions of the Companies (Amendment) Act, 2017, requirement of placing the matter of ratification of appointment of statutory auditors at every annual general meeting has been omitted.

Further, the company, being engaged in the financial service activities, is not required to maintain cost records under the provisions of section 148 of the Companies Act, 2013.

#### **STOCK EXCHANGE**

The Company's equity shares are listed at BSE Limited vide scrip code 512215 and the Annual Listing Fees for the year 2019-20 has been paid.

**SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules framed thereunder, the board has appointed the Secretarial Auditors of the company, M/s. Samuel & Associates, Practicing Company Secretaries, Thane, for conducting the secretarial audit for the financial year ending on March 31, 2021.

Secretarial audit report issued by the secretarial auditor of the company for the financial year ended on March 31, 2020 is attached to the directors' report as Annexure - 3. Further, the company has complied with the secretarial standards to the extent applicable to the company.

**DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a. In the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable Ind-AS had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied 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 as at 31st March, 2020
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f. The proper internal financial controls are in place and that such internal financial controls are adequate and are operating effectively.
- g. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

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

**SECRETARIAL AUDIT REPORT**

A Secretarial Audit was conducted during the year by the Secretarial Auditor, M/s Samuel & Associates , Practicing Company Secretaries, Thane in accordance with Provisions of Section 204 of the Act. The Secretarial Auditors Report is attached as Annexure II and forms part of this Report. There are Qualifications or Observations or remarks made by the Secretarial Auditor in the report. Management reply to the observation raised in Secretarial Audit Report is under

Sr No.	Observation	Reply
1.	Late filling of certain eforms with Registrar of Companies	Due to unavailability of Whole Time Company Secretary, the Company was unable to file certain eforms with the Registrar of Companies within the prescribed time but the same has been filed with late fees thereafter
2.	Statement of Foreign Direct Investment (FDI) for the Half -Year ended 30 <sup>th</sup> September 2019 has not been submitted	The Company is in the process of filing the same with the respective authorities
3.	The contents on the Companies website could not be verified for its up-to-dateness	The Name of the company had been changed from Vora Constructions Ltd to Stephanotis Finance Limited following which the website of the company is undergoing upgradation and would be updated shortly

**ACKNOWLEDGMENT**

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all our Clients, Financial Institutions, Bankers, Business Associates and the Government and other regulatory authorities and thank all stakeholders for their valuable sustained support and encouragement towards the conduct of the proficient operation of the Company. Your Directors would like to place on record their gratitude to all the employees who have continued their support during the year.

The Directors also express sincere thanks to Government of India and Government of others States, Police, Doctors, Nurses, Sanitary workers, NGO's and every individual who are risking their lives in the fight against Covid-19.

For and on behalf of the Board of Directors  
**Stephanotis Finance Limited**

**Mr. Sureshbabu Malge**

**Mr. Sumit Malge**

Sd/-  
Managing Director  
DIN - 01481222

Sd/-  
Director  
DIN -02413173

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

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 & Administration) Rules, 2014

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	L45200MH1985PLC036089
2.	Registration Date	30/08/1985
3.	Name of the Company	STEPHANOTIS FINANCE LIMITED
4.	Category/Sub-category of the Company	Public Company / Limited by Shares
5.	Address of the Registered office & contact details	3, Ground Floor, Durga Chamber, Veena Industrial Estate, Off Veera Desai Road, Andheri (West) Mumbai - 400 053
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Share Registry (India) Pvt. Ltd. Shiv Shakti Industrial Estate, Gr. Floor, Unit No 9, 7B, JR Boricha Marg, Sitaram Mill Compound, Mumbai, Maharashtra, 400011

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non-Banking Financial Corporation Services	6519	100%

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	-	-	-

**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 31-03-2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% 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	4575709	-	4575709	70.95%	4663009	-	4663009	72.30%	+1.35
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI									
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	4575709	-	4575709	70.95%	4663009	-	4663009	72.30%	+1.35

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									-
i) Indian	3975	700	4675	0.07%	4175	700	4875	0.08%	+0.0
ii) Overseas	-	-	-	-					
<b>b) Individuals</b>	-	-	-	-					
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	99721	73650	173371	2.69%	106165	72750	178915	2.77%	+0.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1410736	23400	1434136	22.24%	1361404	23400	1384804	21.47%	-0.76
<b>c) Others (specify)</b>									
HUF	118617	0	118617	1.84%	77389	0	77389	1.20%	-0.64
Overseas Corporate Bodies	-	-	-	-					
N.R.I									
Foreign Nationals									
LLP	0	0	0	0	125	0	125	0	+0.00
Clearing Members	142872	0	142872	2.22%	140263	0	140263	2.17%	-0.64
Trusts	-	-	-	-					
Foreign Bodies-D R	-	-	-	-					
<b>Sub-total (B)(2):</b>	1775921	97750	1873671	29.05%	1689521	96850	1786371	27.70%	-1.35
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	1775921	97750	1873671	29.05%	1689521	96850	1786371	27.70%	-1.35
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	6351630	97750	6449380	100%	6352530	96850	6449380	100%	0

**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sureshbabu Malge	2685817	41.64%	0	2773117	43%	0	+1.35%
2	Sonu Malge	629964	09.77%	0	629964	09.77%	0	0.00%
3	Sushila Malge	629964	09.77%	0	629964	09.77%	0	0.00%
4	Sumit Malge	629964	09.77%	0	629964	09.77%	0	0.00%

**C) Change in Promoters' Shareholding**

SL No.	Shareholder's Name	Share Holding at the beginning of the year		Cumulative Share Holding at the end of the year	
		31/03/2019		31/03/2020	
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year
1	SURESHBABU MALGE	2685817	41.64%		-
	Buy on 27-12-2019	55268	0.86%	2741085	42.50%
	Buy on 31-12-2019	30200	0.47%	2771285	42.97%
	Buy on 03-01-2020	846	0.01%	2772131	42.98%
	Buy on 13-03-2020	786	0.01%	2772917	43.00%
	Buy on 20-03-2020	100	0.00%	2773017	43.00%
	Buy on 31-03-2020	100	0.00%	2773117	43.00%
	31-03-2020			2773117	43.00%
2	SONU SURESHBABU MALGEE	629964	9.77%	629964	-
	31-03-2020			629964	9.77%
3	SUSHILA S MALGE	629964	9.77%	629964	-
	31-03-2020			629964	9.77%
4	SUMIT SURESHBABU MALGE	629964	9.77%	629964	-
	31-03-2020			629964	9.77%

**NOTE :**

Mr. Sureshbabu Malge acquired 300 shares on 30/03/2020 as well as 10183 shares on 31/03/2020 and the effect of the same tends to take place within T+2 days in RTA Shareholding Pattern.

Hence actual shares of Mr. Sureshbabu Malge is not reflected in shareholding pattern as on 31/03/2020 which is 2783600 share (i.e. 2773117+300+10183 = 43.16%) due to the above clearance procedure.

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

SR. NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR (AS ON 31.03.2019)		CUMULATIVE SHAREHOLDING DURING THE YEAR (AS ON 31.03.2020)	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	<b>MANISH RUPAREL</b>	541140	8.39		
	Sell on 27-12-2019	-300	0.00	540840	8.39
	31-03-2020			540840	8.39
2	<b>VIKAS KUMAR JAIN</b>	200000	3.10		
	31-03-2020			200000	3.10
3	<b>NIRMAL RAJNIKANT SHAH</b>	140000	2.17		
	31-03-2020			140000	2.17
4	<b>ARCADIA SHARE &amp; STOCK BROKERS PVT. LTD</b>	139872	2.17		
	Buy on 17-05-2019	200	0.00	140072	2.17
	Sell on 26-07-2019	-200	-0.00	139872	2.17
	Buy on 09-08-2019	50	0.00	139922	2.17
	Buy on 16-08-2019	40	0.00	139962	2.17
	Buy on 14-02-2020	1	0.00	139963	2.17
	31-03-2020			139963	2.17
5	<b>PARTH HEMANT SHETH</b>	82251	1.28		
	31-03-2020			82251	1.28
6	<b>DEV HEMANT SHETH</b>	74490	1.15		
	31-03-2020			74490	1.15
7	<b>PREMLATA P BOHRA</b>	72000	1.12		
	31-03-2020			72000	1.12
8	<b>VIPUL CHANDAKANT DESAI</b>	69956	1.08		
	31-03-2020			69956	1.08
9	<b>SAMIR RAMESH KOTHARI HUF .</b>	67200	1.04		
	31-03-2020			67200	1.04
10	<b>ASHISH PURUSHOTAM BOHRA</b>	60000	0.93		
	31-03-2020			60000	0.93



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

SL No.	Shareholder's Name	Share Holding at the beginning of the year		Cumulative Share Holding at the end of the year	
		31/03/2019		31/03/2020	
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year
1	SURESHBABU MALGE	2685817	41.64%		-
	Buy on 27-12-2019	55268	0.86%	2741085	42.50%
	Buy on 31-12-2019	30200	0.47%	2771285	42.97%
	Buy on 03-01-2020	846	0.01%	2772131	42.98%
	Buy on 13-03-2020	786	0.01%	2772917	43.00%
	Buy on 20-03-2020	100	0.00%	2773017	43.00%
	Buy on 31-03-2020	100	0.00%	2773117	43.00%
	31-03-2020			2773117	43.00%
2	SONU SURESHBABU MALGEE	629964	9.77%	629964	-
	31-03-2020			629964	9.77%
3	SUMIT SURESHBABU MALGE	629964	9.77%	629964	-
	31-03-2020			629964	9.77%
4	ANAND S. JAIN	NIL	NIL	NIL	NIL
5	RASHMI S. RATURI	NIL	NIL	NIL	NIL

**NOTE :**

Mr. Sureshbabu Malge acquired 300 shares on 30/03/2020 as well as 10183 shares on 31/03/2020 and the effect of the same tends to take place within T+2 days in RTA Shareholding Pattern.

Hence actual shares of Mr. Sureshbabu Malge is not reflected in shareholding pattern as on 31/03/2020 which is 2783600 share (i.e. 2773117+300+10183 = 43.16%) due to the above clearance procedure.

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

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

<b>Sr. No .</b>	<b>Particulars of Remuneration</b>	<b>Name of Managing Director</b>	<b>Total Amount</b>
1	Gross salary	Mr. Sureshbabu G. Malge	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	
	(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 (A)		
	Ceiling as per the Act	6,00,000	6,00,000

**B. Remuneration to other Directors**

<b>Sr. No .</b>	<b>Particulars of Remuneration</b>	<b>Name of Director</b>	<b>Total Amount</b>
1	Gross salary	Mr. Sumit S. Malge	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	
	(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 (A)		
	Ceiling as per the Act	6,00,000	6,00,000

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		SONU S. MALGEE	ANAND S. JAIN	RASHMI S. RASTURI
		CEO	CFO	Company Secretary
1	Gross salary (P.M.)	6,00,00 0	3,60,00 0	2,80,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(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	6,00,00 0	3,60,00 0	2,80,000

**VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES - NIL**

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 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,

**Stephanotis Finance Limited**

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Stephanotis Finance Limited (CIN: L45200MH1985PLC036089) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Stephanotis Finance Limited formerly known as Vora Construction Limited ("The Company") for the period ended on 31<sup>st</sup> March 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulation 2015.
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999; - Not applicable to Company during Audit Period.
  - f. The Securities and Exchange Board of India (Issue and Listing of debt Securities) Regulations, 2008; - Not applicable to Company during Audit Period.
  - g. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations 1993 regarding Companies Act and dealing with clients. Not applicable to the Company during Audit Period.
  - h. The Securities and Exchange Board of India (delisting of equity Shares) Regulations, 2009, and Not applicable to the Company during Audit Period.
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- Not applicable to Company during Audit Period

- vi. All other relevant laws applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.

The Secretarial Standards SS-1 and SS-2 issued and notified by the Institute of Company Secretaries of India has been complied with by the Company during the financial year under review;

2. The Listing Agreements entered into by the Company with the BSE Limited,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above, to the extend applicable except the following:

SR. No	APPLICABLE LAW	OBSERAVTION
1.	Companies Act 2013 and Rules Made Thereunder	Late filling of certain eforms with Registrar of Companies
2.	RBI Act 1934 and Non-Banking Financial Companies Prudential Norms (Reserve Bank ) Directions 1998	Statement of Foreign Direct Investment (FDI) for the Half -Year ended 30 <sup>th</sup> September 2019 has not been submitted
3.	SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015	The contents on the Companies website could not be verified for its up-to-dateness

2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company.

3. We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings and the agenda and detailed notes on the agenda were sent at least 7 days in advance or on shorter notice wherever necessary, 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.

The decisions at the Board Meetings are carried out unanimously and there were no members dissenting the resolution(s)during the year under review.

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

We further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

Place : Mumbai  
Date : 2<sup>nd</sup> November, 2020

Samuel & Associates  
Company Secretaries,

**UDIN:A043513B001137861**

Pradeep Samuel George  
CP. No. 21096  
Membership No. 43513

**“Annexure to Secretarial Audit Report “**

To,

The Members,  
Stephanotis Finance Limited

Our Secretarial Audit 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. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 : Mumbai  
Date : 02<sup>nd</sup> November, 2020

Samuel & Associates  
Company Secretaries,

**UDIN: A043513B001137861**

Pradeep Samuel George  
CP. No. 21096  
Membership No. 43513

## **Independent Auditor's Report**

**To the Members of  
Stephanotis Finance Limited  
(Formerly Known as Vora Constructions Ltd.)**

### **Report on the Audit of the Standalone Ind AS Financial Statements Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **Stephanotis Finance Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its Profit /loss, including Other Comprehensive Income, Cash Flow and the changes in equity for the year ended on that date.

### **Other Matters**

The Comparative Financial Information of the Company for the transition date Opening balance sheet as at 1<sup>st</sup> April, 2018 included in this standalone Ind AS Financial statement, are based on the previously issued statutory financial statement prepared in accordance with the companies (Accounting Standards) Rules 2006 audited by our firm expressed an unmodified opinion on that standalone Ind AS Financial statements, and have been restated to comply with Ind AS, Adjustment made to the previously issued said financial information prepaid in accordance with Companies (Accounting Standards) rules, 2006 to comply with ind AS have been Audited by us .

Our opinion is not modified in respect of this matter

### **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 Standalone Ind AS 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 Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 on the Standalone Ind AS financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed

in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon. There are no other key audit matters and we do not provide a separate opinion on these matters.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for the Standalone Financial Statements**

The Company's Management and 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management and Board of Director are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of 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 Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 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 it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Ind AS Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2020 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 Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements
  - ii. The Company, did not have any long-term contracts including derivative contracts for which there were no material foreseeable losses;
  - ii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**For NGST & Associates**

Chartered Accountants

Firm Registration No. 135159W

Bhupendra Gandhi

(Partner)

Membership No. 122296

UDIN:20122296AAAABV4982

Place: Mumbai

Date: 28/07/2020

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

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2020:

- 1) In respect of the Company’s fixed assets:
  - (a) The company has maintained proper records showing full particulars including details of quantity and situation of the fixed assets
  - (b) As explained to us physical verification of the fixed assets is conducted by the management at reasonable intervals and no Material discrepancies were noticed on such verification
  - (c) The title deeds of Investment in property i.e. immovable properties are held in the name of the company.
- 2) The Company does not possessed inventory as on balance sheet date and hence the clause is not applicable.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has not granted loans, guarantees and security covered u/s 185 and 186 ; the investment made by the company is in compliance with the provisions of section 186 of the Companies Act, 2013.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) According to the information and explanations given to us, in respect of statutory dues:
  - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess, wherever applicable, and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become.
  - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year.
- 10) During the course of our examination of the books and records of the company, carried in accordance with auditing standard generally accepted in India, we have neither come across any instance of fraud by the Company or on the company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the management.
- 11) As explained to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**For NGST & Associates**

Chartered Accountants

Firm Registration No. 135159W

Bhupendra Gandhi

(Partner)

Membership No. 122296

UDIN:20122296AAAABV4982

Place: Mumbai

Date: 28/07/2020

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Stephanotis Finance Limited**

**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 **Stephanotis Finance Limited (“the Company”)** as of March 31, 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 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. 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 judgement, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 Standalone 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 Standalone 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 or for other reasons.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Institute of Chartered Accountants of India.

### **For NGST & Associates**

Chartered Accountants

Firm Registration No. 135159W

Bhupendra Gandhi

(Partner)

Membership No. 122296

UDIN:20122296AAAABV4982

Place: Mumbai

Date: 28/07/2020

**STEPHANOTIS FINANCE LIMITED(Formerly known as VORA Constructions Ltd)****STANDALONE BALANCE SHEET AS AT 31st MARCH 2020**

PARTICULARS	NOTE NO.	AS AT 31 <sup>st</sup> MARCH 2020 Rs.	AS AT 1st APRIL 2018 Rs.
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	11	342,415	3,315,660
Bank balances other than Cash and Cash equivalents above		-	-
Loans & Advances	12	86,806,660	229,711,080
Non-Investments	9	491,640	1,181,125
Other Financial Assets	13	171,650,087	-
<b>Total Financial Assets</b>		<b>259,290,802</b>	<b>234,207,865</b>
<b>Non-Financial Assets</b>			
Inventories	10	5,667,879	13,945,060
Deferred Tax Assets (Net)		1,206,553	
Property, plant and equipment	8	252,587	190,075
Other Non financial assets	14	59,705	-
<b>Total Non-Financial Assets</b>		<b>7,186,724</b>	<b>14,135,135</b>
<b>Total Assets</b>		<b>266,477,526</b>	<b>248,343,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings	4	10,000,000	-
Trade payables	5	2,207,908	453,263
Other financial liabilities	6	3,227,665	115,695
<b>Total Financial Liabilities</b>		<b>15,435,573</b>	<b>568,958</b>
<b>Non-Financial Liabilities</b>			
Deferred tax liabilities (net)			
Provisions	7	-	3,350,000
<b>Total Non-Financial Liabilities</b>		<b>-</b>	<b>3,350,000</b>
<b>Total Liabilities</b>		<b>15,435,573</b>	<b>3,918,958</b>
<b>Equity</b>			
Equity share capital	2	64,493,800	64,493,800
Other equity	3	186,548,153	179,930,242
<b>Total Equity</b>		<b>251,041,953</b>	<b>244,424,042</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>266,477,526</b>	<b>248,343,000</b>
		-	-
Other notes to Accounts & the accompanying notes are an integral part of Standalone Financial Statements			

As per our report of even date  
For **NGST & Associates**  
**Chartered Accountants**  
**FRN - 135159W**

For & on behalf of the Board  
**STEPHANOTIS FINANCE LIMITED**  
**CIN NO. L45200MH1985PLC036089**

**PARTNER**  
DATE: 28TH JULY 2020

**Sureshababu Malge**  
Managing Director  
DIN No. 01481222

**Sumit Malge**  
Director  
DIN No. 02413173

**Rashmi Raturi**  
Company Secretary

**Anand Jain**  
Chief Finance Officer



# STEPHANOTIS FINANCE LIMITED(Formerly known as VORA Constructions Ltd)

## Statement of Profit and loss for the year ended 31st March 2020

	PARTICULARS	NOTE NO.	For the year ended 31st MARCH 2020 Rs.	For the year ended 31ST MARCH 2019 Rs.
	<b>Income</b>			
I.	Revenue From Operations	15	18,461,692	36,294,346
II.	Other Income	16	-	-
III.	<b>Total Income</b>		<b>18,461,692</b>	<b>36,294,346</b>
IV.	<b>Expenses:</b>			
	Purchase of Stock-in-Trade	17	345,070	12,211,446
	Income reversed due to change in fair value of assets		10,147,148	-
	Employee benefits expense	18	2,864,980	3,948,775
	Depreciation and amortization expense		90,930	51,255
	Other expenses	19	3,396,690	7,557,173
	<b>Total expenses</b>		<b>16,844,818</b>	<b>23,768,649</b>
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		1,616,874	12,525,697
VI	<b>Exceptional items</b>	20	-	-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		1,616,874	12,525,697
VIII	<b>Extraordinary items</b>		-	-
IX	<b>Profit before tax (VII - VIII)</b>		<b>1,616,874</b>	<b>12,525,697</b>
X	<b>Tax expense:</b>			
	(1) Current tax		405,000	3,500,000
	(2) Deferred tax			-
	(3) Tax for earlier years			-
			<b>405,000</b>	<b>3,500,000</b>
XI	<b>Profit/(Loss) for the period from continuing operations (IX-X)</b>		<b>1,211,874</b>	<b>9,025,697</b>
XII	<b>Profit/(Loss) from discontinuing operations</b>		-	-
XIII	<b>Tax expense of discontinuing operations</b>		-	-
XIV	<b>Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)</b>		-	-
XV	<b>Profit/(Loss) for the period (XI+XIV)</b>		<b>1,211,874</b>	<b>9,025,697</b>
	<b>Other Comprehensive Income</b>			
	Income reclassifiable to P&L		-929,214	-3,897,000
	Tax thereon		232,303	974,250
	Income not reclassifiable to P&L			
	Tax thereon			
	<b>Total Other Comprehensive Income</b>		<b>-696,910</b>	<b>-2,922,750</b>
	<b>Total Comprehensive Income</b>		<b>514,964</b>	<b>6,102,947</b>
XVII	<b>Earnings per equity share of face value of Rs. 10 each Basic &amp; Diluted (in Rupees)</b>	21	<b>0.19</b>	<b>1.40</b>
<b>Other notes to Accounts &amp; the accompanying notes are an integral part of Standalone Financial Statements</b>				

As per our report of even date

**For NGST & Associates**

**Chartered Accountants**

**FRN - 135159W**

**PARTNER**

PLACE: MUMBAI

DATE: DATE: 28TH JULY 2020

**For & on behalf of the Board**

**STEPHANOTIS FINANCE LIMITED**

**CIN NO.**

**Sureshbabu Malge**

Managing Director

DIN No. 01481222

**Rashmi Raturi**

Company Secretary

**Sumit Malge**

Director

**DIN No. 02413173**

**Anand Jain**

Chief Finance Officer

**STEPHANOTIS FINANCE LIMITED(Formerly known as VORA Constructions Ltd)****Standalone Statement of Cash Flow**

for the year ended 31 March 2020

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax for the year	1,616,874	12,525,697
<b>Adjustments for:</b>		
Non Cash / Separately Considered Income/Expenses	90,930	51,255
Other Adjustments		
<b>Operating profit before working capital changes</b>	<b>1,707,804</b>	<b>12,576,952</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in trade and other receivables	-	-
(Increase)/decrease in Loans & Advances	-5,252,091	148,156,511
(Increase)/decrease in Investments	-	-
(Increase)/decrease in inventories	341,162	3,799,290
(Increase)/decrease in other assets	-59,705	-
(Decrease)/increase in Trade Payables	1,135,048	619,597
(Decrease)/increase in Provision	-	-3,350,000
(Decrease)/increase in other liabilities	1,875,004	1,236,966
<b>Cash flow from / (utilized in) operating activities post working capital changes</b>	<b>-1,960,581</b>	<b>150,462,363</b>
Income Taxes	405,000	3,500,000
<b>Net cash flow from / (utilized in) in operating activities (A)</b>	<b>-657,777</b>	<b>159,539,316</b>
<b>Cash flows from investing activities</b>		
Payments to acquire Plant, Property & Equipment	-204,899	202
Proceeds on sale of Plant, Property & Equipment	-	-
Payments to other financial assets	-44,206,337	-127,443,750
Proceeds from other financial assets	10,000,000	-
<b>Net cash (used in) investing activities (B)</b>	<b>-34,411,236</b>	<b>-127,443,548</b>
<b>Cash flows from financing activities</b>		
Proceed From Borrowing	-	-
Repayment of Borrowing	-	-
<b>Net cash used in financing activities ( C)</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	35,411,428	3,315,660
<b>Cash and cash equivalents at the end of the year(A+B+C)</b>	<b>342,415</b>	<b>35,411,428</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow Statement</b>		
Cash and cash equivalents	342,415	35,411,428
Other Balance with bank	-	-
<b>Balance as per statement of cash flows</b>	<b>342,415</b>	<b>35,411,428</b>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

As per our report of even date attached  
For NGST & Associates  
Chartered Accountants  
FRN - 135159W

For & on behalf of the Board  
STEPHANOTIS FINANCE LIMITED  
CIN NO.

PLACE: MUMBAI  
DATE: 28TH JULY 2020

Sureshbabu Malge  
Managing Director  
DIN No. 01481222

Sumit Malge  
Director  
DIN No. 02413173

Rashmi Raturi  
Company Secretary

Anand Jain  
Chief Finance Officer

## **1 Corporate Information**

Stephanotis Finance Limited ('the Company') is a public company domiciled in India and incorporated on 30th August 1985 under the provisions of Companies Act, 1956. The Company has received a Certificate of Registration number 13.00890 dated 26th May 1998 from the Reserve Bank of India ('RBI') to carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The Company has been classified as a NBFC - Non Deposit taking Non-Systemically Important companies registered with RBI defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. The equity shares of the Company are listed on the Bombay Stock Exchange ("BSE") in India.

## **2 Significant accounting Policies**

### **2.1 Basis of Preparation of financial statements**

#### **A) Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act and guidelines issued by the RBI or other regulators to the extent applicable.

The Company has adopted Ind AS from 1st April 2019 and the financial statements for the year ended 31st March 2020 are the Company's first Ind AS Financial Statements. However, the effective date of transition to Ind AS is 1st April 2018, being the beginning of the earliest period for which the company needs to present comparative information.

The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder, guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). The impact of transition has been recorded in the opening reserves as at 1st April 2018 and is provided in Note 45. The corresponding comparative previous period as presented in these financial statements have been restated / reclassified in order to conform to current year presentation.

The adoption of Ind AS has been carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 45.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April 2018 being the 'date of transition to Ind AS'.

#### **B) Functional and presentation currency**

The Company's presentation and functional currency is Indian Rupees. All figures appearing in the financial statements are in Indian rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

#### **C) Basis of preparation, presentation and disclosure of financial statements**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs.

#### **D) Fair value measurement**

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument

is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Valuation using quoted market price in active markets: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Valuation using observable inputs: If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

Level 3 - Valuation with significant unobservable inputs: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Company regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### **E) Use of judgment and Estimates**

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the year in which the results are known or materialise i.e. prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:

- i) Impairment of financial assets
- ii) Estimation of fair value measurement of financial assets and liabilities
- iii) Effective interest rate
- iv) Business model assessment
- v) Provisions and Contingencies
- vi) Useful life and expected residual value of assets
- vii) Tax position for current tax and recognition of deferred tax assets/liabilities
- viii) Measurement of Defined Benefit Obligations and actuarial assumptions
- ix) Classification of lease and related discount rate

#### **F) First-time adoption of Ind AS – mandatory exceptions and optional exemptions**

##### **Overall Principle:**

The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April 2018 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However,

this principle is subject to certain exceptions and certain optional exemptions availed by the Company as mentioned below:

**Deemed cost for property, plant and equipment and intangible assets –**

The Company has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to IND AS i.e. 01st April 2018.

**Investments in subsidiaries**

Upon first-time adoption of Ind AS, the Company has elected to account for its investments in subsidiaries at cost i.e. at Previous GAAP carrying value on the date of transition to IND AS i.e. 01st April 2018.

## **2.2 Financial Instruments**

**a) Recognition and initial measurement –**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

**b) Classification and Subsequent measurement of financial assets –**

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- FVOCI - debt instruments
- FVOCI - equity instruments
- FVTPL

**Amortised cost** - The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

**FVOCI - debt instruments** - The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

**FVOCI - equity instruments** - The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

**Subsequent measurement of financial assets**

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Company makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of Profit and Loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

**c) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

**d) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

**e) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**f) Impairment of financial instruments**

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortised cost or FVTOCI, except for investments in equity instruments. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

**Stage 1 (Performing Assets)** – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

**Stage 2 (Under performing Assets with significant increase in credit risk since initial recognition)** – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

**Stage 3 (Non-performing or Credit-impaired assets)** – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and interest income is recognised on Net exposure (that is Gross carrying amount less Provision for Expected credit losses).

#### **Measurement of Expected Credit Loss**

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

- **Probability of default (PD):** It is defined as the probability of whether borrowers will default on their obligations in future. Since the company don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognised rating agency is used for estimating the PDs for each range grade.
- **Loss given default (LGD):** It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.  
  
The default study published by one of the recognised rating agency is used for estimating the LGD for secured and unsecured loans.
- **Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

g) **Write offs** -The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

h) **Presentation of allowance for ECL in the Balance Sheet** – Loss allowances for ECL are deducted from the gross carrying amount of financial assets measured at amortised cost.

i) **Financial liabilities and equity instruments:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently

measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or Loss.

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

### **2.3 Cash and Cash equivalents**

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances includes balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits.

### **2.4 Statement of Cash Flow**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

### **2.5 Property, plant and equipment**

#### **a) Recognition and Measurement**

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

#### **b) Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.



**c) Depreciation, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below:-

Type of Assets	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Software and system development	3 years	3 years
Office equipment	5 years	5 years
Motor cars	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use. Individual assets costing less than or equals to Rs. 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss up to the month prior to the month in which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

**2.6 Intangible assets**

Intangible assets comprises of computer software are capitalised at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

**2.7 Impairment of non-financial assets**

The carrying values of assets at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount in Statement of Profit and Loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

**2.8 Investment in subsidiaries**

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Investment in subsidiaries are measured at cost less accumulated impairment, if any.

**2.9 Provisions, contingent liabilities and contingent assets**

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not disclosed in the financial statements.

## **2.10 Commitments**

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loan sanctioned and on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

## **2.11 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

### **a) Recognition of Interest income**

Interest income on financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs.)

Interest income on penal interest and tax refunds is recognised on receipt basis.

Interest income on fixed deposit is recognised on time proportionate basis.

### **b) Fee and Commission income**

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in the Company Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees and documentation charges.

**c) Other financial charges**

Cheque bouncing charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

**d) Income from securities**

Gains or losses on the sale of securities are recognised in Statement of profit and loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

**e) Net gain/ Loss on fair value changes**

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the Balance Sheet date is recognised as an unrealised gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under income and if there is net loss in aggregate, the same is recognised in "Net loss on fair value changes" under expense in the Statement of Profit and Loss.

**f) Dividend income**

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collect ability exists.

## **2.12 Employee benefits**

### **Short term employee benefits**

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### **Long Term employee benefits**

Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss

### **Post-employment benefits**

**a) Defined contribution Plans**

**Provident fund:** Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

**ESIC and Labour welfare fund:** The Company's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognised in the Statement of Profit and Loss.

**b) Defined benefit Plans**

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

**Defined benefit costs are categorised as follows:**

- i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- ii) Net interest expense or income
- iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised

in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

### **2.13 Finance cost**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Financial instruments include bank term loans, Vehicle loans and non-convertible debentures. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortised on straight line basis over the tenure of the underlying loan.

### **2.14 Leases**

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. The Company's lease asset classes primarily consist of leases for Premises. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2018.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves-

- a) the use of an identified asset,
- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets (assets of less than Rs. 10 Lakhs in value).

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the ROU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The ROU assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU assets.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the ROU assets. Where the carrying amount of the ROU assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 14 "Other Financial Liabilities" and ROU asset has been presented in Note 9B "Property, Plant and Equipment" and lease payments have been classified as cash flows from financing activities.

#### **2.15 Share issue expenses**

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013 and Ind AS.

#### **2.16 Collateral**

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Company provides fully secured, partially secured and unsecured loans to Corporates and individuals.

#### **2.17 Income Tax**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

##### **Current Tax**

The Current tax is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that

there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Minimum Alternate Tax (MAT) credit entitlement (i.e. excess of amount of MAT paid for a year over normal tax liability for that year) eligible for set-off in subsequent years is recognised as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

#### **2.18 Earnings per share**

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **2.19 Segment reporting**

The company is predominantly engaged in Lending business, whose revenue and operating income are reviewed regularly by Chief Operating Decision Maker. As such there are no separate reportable segments as per Ind-AS 108

#### **2.20 Dividend distribution to equity holders of the Company**

The Company recognises a liability to make distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company.

#### **2.21 Goods and Services Input Tax Credit**

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

#### **2.22 Operating cycle for current and non-current classification**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **STEPHANOTIS FINANCE LIMITED**

Notes on financial statement as on and for the year ended 31st March 2020

### **NOTE 2:- SHARE CAPITAL**

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of ` 10/- each	9,000,000	90,000,000	9,000,000	90,000,000
<b>Issued,Subscribed &amp; Paidup</b>				
Equity Shares of ` 10/- each	6,449,380	64,493,800	6,449,380	64,493,800
<b>Total</b>	<b>6,449,380</b>	<b>64,493,800</b>	<b>6,449,380</b>	<b>64,493,800</b>

2.1 Reconciliation of No. of Shares	As at 31 March 2020		As at 31 March 2019	
	Number	Rs.	Number	Rs.
No. of Shares at Beginning	6,449,380	64,493,800	6,449,380	19,996,000
Add : No of Shares Issued				44,497,800
<b>No of Equity Shares at the End</b>	<b>6,449,380</b>	<b>64,493,800</b>	<b>6,449,380</b>	<b>64,493,800</b>

### **2.2 Terms/Rights Attached to Shares**

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the holders of equity shares in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the

### **2.3 The details of shareholder holding more than 5% shares as at March 31, 2020 is set out below:**

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Class of Shares: Equity Shares</b>				
Sureshbabu Malge	2,685,817	41.64	2,685,817	41.64
Sonu Sureshbabu Malge	629,964	9.77	629,964	9.77
Sushila Sureshbabu Malge	629,964	9.77	629,964	9.77
Sumit Sureshbabu Malge	629,964	9.77	629,964	9.77

2.4 There are no Bonus Shares /Buyback/Shares for consideration other than cash issued during past 3 years

**STEPHANOTIS FINANCE LIMITED**

Notes on financial statement as on and for the year ended 31st March 2020

**NOTE 3:- RESERVES AND SURPLUS**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
A) <b>General Reserves</b>			
Opening Balance	-	-	-
Add: Transferred From Surplus	-	-	-
Total	-	-	-
B) <b>Securities Premium Reserve</b>			
Opening Balance	177,991,200	177,991,200	-
Add: Increase in Reserve	-	-	177,991,200
Total	177,991,200	177,991,200	177,991,200
C) <b>Other Reserves</b>			
<b>Reserves Fund U/S.45 of RBI Act</b>			
Opening Balance	82,421	82,421	82,421
Add: Transferred From Surplus	-	-	-
Total	82,421	82,421	82,421
D) <b>Surplus in Profit &amp; loss a/c</b>			
Surplus - Opening balance	7,959,568	1,856,621	(6,703,726)
Add : Trf into surplus a/c	-	-	-
Add: Net Profit after tax transferred	514,964	6,102,947	8,560,347
Add: Fair Value Gain (Restated)(Post Tax)	-	-	-
Amount available for appropriation	8,474,532	7,959,568	1,856,621
Appropriations:			
Proposed Dividends	-	-	-
Dividend Tax	-	-	-
Amount transferred to General reserves	-	-	-
Amount transferred to Reserves Fund U/S.45 of RBI Act	-	-	-
Surplus - Closing Balance	8,474,532	7,959,568	1,856,621



Total (A+B+C+D)	186,548,153	186,033,189	179,930,242
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**STEPHANOTIS FINANCE LIMITED**  
**Notes on financial statement as on and for the year ended 31st March 2020**

**NOTE 4:- Borrowings**

Particulars	31 <sup>ST</sup> MARCH 2020	31 <sup>ST</sup> MARCH 2019	1 <sup>ST</sup> APRIL 2018
<b>Total</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>

**NOTE 5:- Trade Payable**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
Trade Payable	2,207,908	1,072,860	453,263
<b>Total</b>	<b>2,207,908</b>	<b>1,072,860</b>	<b>453,263</b>

**NOTE 6:- OTHER CURRENT LIABILITIES**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
Duties & Taxes	35,000	313,325	15,530
Salary payable	2,733,545	765,545	
Others	459,120	273,791	100,165
<b>Total</b>	<b>3,227,665</b>	<b>1,352,661</b>	<b>115,695</b>

**NOTE 7:- SHORT TERM PROVISIONS**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
Provision For Income Tax (Net)	-	-	3,350,000
Provision For N.P.A	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,350,000</b>

**STEPHANOTIS FINANCE LIMITED****Notes on financial statement as on and for the year ended 31st March 2020****NOTE 9:- NON CURRENT INVESTMENTS**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
<b>QUOTED - Investment (At FVTPL)</b>	<b>520,560</b>	<b>1,181,125</b>	<b>1,181,125</b>
Less: Fair Value Gain/(Loss)	(28,920)	(660,565)	
Investment in Listed Entities			
<b>Total</b>	<b>491,640</b>	<b>520,560</b>	<b>1,181,125</b>

**NOTE 10:- INVENTORIES****NOTE 11:- CASH AND BANK BALANCES:**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
<b>Balances with banks</b>			
In Current accounts	318,972	35,357,316	3,271,310
Cash in hand	23,443	54,112	44,350
<b>Total</b>	<b>342,415</b>	<b>35,411,428</b>	<b>3,315,660</b>

**NOTE 12:- SHORT TERM LOANS AND ADVANCES**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
<b>Un-secured considered good</b>			
Loans to employees	459,815	48,000	-
Loan & Advances to related party	52,793,278	45,955,729	-
Loans & advances to Others	33,470,746	35,210,910	229,711,080
TDS and Advance tax (Net of Provision)	82,821	339,930	-
<b>Total</b>	<b>86,806,660</b>	<b>81,554,569</b>	<b>229,711,080</b>

**NOTE 13:- Other Financial Assets**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
Project Advance	171,650,087	127,443,750	-
<b>Total</b>	<b>171,650,087</b>	<b>127,443,750</b>	<b>-</b>

**NOTE 14:- Other Current Assets**

Particulars	31 <sup>ST</sup> MARCH 2020 Rs.	31 <sup>ST</sup> MARCH 2019 Rs.	1 <sup>ST</sup> APRIL 2018 Rs.
Prepaid Expenses	59,705	-	-
<b>Total</b>	<b>59,705</b>	<b>-</b>	<b>-</b>

**STEPHANOTIS FINANCE LIMITED**

**Notes on financial statement as on and for the year ended 31st March 2020**

**NOTE 15:- REVENUE FROM OPERATION**

Particulars	For the year ended 31ST MARCH 2020	For the year ended 31ST MARCH 2019	For the year ended 31ST MARCH 2018
	Rs.	Rs.	Rs.
Sale of Shares & Securities	444,702	7,624,230	86,447,184
Interest Income	17,996,884	28,638,506	18,064,160
Dividend	20,106	30,478	16,117
Others	-	1,132	89,697
	<b>18,461,692</b>	<b>36,294,346</b>	<b>104,617,158</b>

**NOTE 16:- OTHER INCOME**

Particulars	For the year ended 31ST MARCH 2020	For the year ended 31ST MARCH 2019	For the year ended 31ST MARCH 2018
	Rs.	Rs.	Rs.
Other Income	-	-	1,199,803
Interest on FD	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,199,803</b>

**NOTE 17:- COST OF SECURITIES SOLD**

Particulars	For the year ended 31ST MARCH 2020	For the year ended 31ST MARCH 2019	For the year ended 31ST MARCH 2018
	Rs.	Rs.	Rs.
Opening Stock	10,145,770	13,945,060	10,574,459
Add: Purchases	3,908	8,412,156	91,263,342
	<b>10,149,678</b>	<b>22,357,216</b>	<b>101,837,801</b>
Less: Closing Stock	9,804,608	10,145,770	13,945,060
<b>Total</b>	<b>345,070</b>	<b>12,211,446</b>	<b>87,892,741</b>

**NOTE 18:- EMPLOYEES BENEFIT EXPENSES**

Particulars	For the year ended 31ST MARCH 2020	For the year ended 31ST MARCH 2019	For the year ended 31ST MARCH 2018
	Rs.	Rs.	Rs.
Salaries	2,850,000	3,608,427	1,336,600
MD Remuneration	-	140,000	260,000
Staff Welfare expenses	14,980	200,348	102,276
<b>Total</b>	<b>2,864,980</b>	<b>3,948,775</b>	<b>1,698,876</b>

**STEPHANOTIS FINANCE LIMITED**

**Notes on financial statement as on and for the year ended 31st March 2020**

**NOTE 19:- OTHER EXPENSES**

Particulars	For the year ended 31ST MARCH 2020	For the year ended 31ST MARCH 2019	For the year ended 31ST MARCH 2018
	RS.	RS.	RS.
Printing & Stationery Expenses	6,200	18,349	9,673
Conveyance & Travelling Expenses	228,729	424,579	166,500
Miscellaneous Expenses	89,733	69,804	32,779
Administrative Expenses	1,049,871	1,062,022	544,364
Office Rent	900,000	1,486,800	1,520,000
Postage & Telegram	-	4,780	4,140
Auditor's Remuneration	200,000	372,000	100,000
Listing Fees	380,550	315,000	293,102
Legal & Professional Fees	537,400	428,440	423,296
Bank Charges	3,606	15,399	8,473
Interest - Others	600	-	-
Bad Debts W/off	-	3,360,000	-
	-	-	-
<b>Total</b>	<b>3,396,690</b>	<b>7,557,173</b>	<b>3,102,327</b>

**Note:20 Exceptional Item**

Particulars	For the year ended 31ST MARCH 2020	For the year ended 31ST MARCH 2019	For the year ended 31ST MARCH 2018
	Rs.	Rs.	Rs.
Share Issue Expenses	-	-	883,950
<b>Total</b>	<b>-</b>	<b>-</b>	<b>883,950.00</b>

**Note:21 Earning Per Share**

Particulars	For the year ended 31ST MARCH 2020	For the year ended 31ST MARCH 2019	For the year ended 31ST MARCH 2018
	Rs.	Rs.	Rs.
Profit After Tax	1,211,874	9,025,697	12,086,797
No. of Equity Shares	6,449,380	6,449,380	6,449,380
EPS (basic & Diluted)	0.19	1.40	1.87

**Note: 22 Auditor's Remuneration**

Particulars	For the year ended 31ST MARCH 2020	For the year ended 31ST MARCH 2019	For the year ended 31ST MARCH 2018
	Rs.	Rs.	Rs.
For Audit fees	200,000	372,000	100,000
<b>Total</b>	<b>200,000</b>	<b>372,000</b>	<b>100,000</b>

**Note 8 FIXED ASSETS**

Fixed Assets	Gross Block			Accumulated		
	Balance as at 1 April 2019	Additions/ (Disposals)	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation charge for the year	Balance as at 31 March 2019
<b>Tangible Assets</b>						
Furniture & Fixtures	150,333	-	150,333	69,564	21,160	80,769
Office Equipments	88,800	61,099.00	149,899	54,459	40,600	34,341
Computer	339,650	143,800.00	483,450	316,142	29,170	23,508
<b>Total</b>	<b>578,783</b>	<b>204,899.00</b>	<b>783,682</b>	<b>440,165</b>	<b>90,930</b>	<b>138,618</b>

<b>P.Y.</b>	<b>578,783</b>	<b>-</b>	<b>578,783</b>	<b>388,910</b>	<b>51,255</b>	<b>189,873</b>
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**STEPHANOTIS FINANCE LIMITED**  
Notes on financial statement as on and for the year ended 31st March, 2020

**Note: 23 Disclosure of Related party transactions pursuant to (Ind AS - 24) and Companies act 2013 "Related Party Disclosures"**

(i) Names of related parties:

Name of the related party	Nature of relationship
SBM International Pvt. Ltd.	Entities in which KMP/relatives of KMP exercise significant influence
SBM Realtors Pvt. Ltd.	Entities in which KMP/relatives of KMP exercise significant influence
Sureshbabu Malge	Chairman & Managing Director
Sumit Malge	Director
Sonu Malge	CEO
Anand Jain	CFO
Rashmi Raturi	Company Secretary

Note: Related party and their relationships are reported only where the Company has transactions with those parties during the current year.

Nature of the Transaction	Key Managerial Personnel							
	Sureshbabu Malge		Sumit Malge		Anand Jain		Rashmi Raturi	
	31-Mar	43,921	43,921	43,921	31	31-Mar	31	31
	2020	2,019	2,020	2,019	43,891	2019	Mar-20	Mar-19
Transactions during the period								
Remuneration paid (refer note iii)	600,000		600,000		360,000	360,000	280,000	
Sitting fees paid	-	-	-	-	-	-	-	-
Closing balances	-	-	-	-	-	-	-	-
Receivable/ (Payable)	-	-	-	-	-	-	-	-

**Note: 24 Disclosure pursuant to Ind AS 12 'Income Taxes'**

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Current tax:</b>		
In respect of current year	405,000	3,500,000
In respect of prior years	-	-
<b>Deferred Tax:</b>		
Deferred tax relating to origination and reversal of temporary differences	-	-
<b>Total Income Tax recognised in profit or loss</b>	-	-
Current tax	-	-
Deferred tax	-	-
<b>Total Income Tax recognised in profit or loss</b>	405,000	3,500,000

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Deferred tax related to items recognised in Other comprehensive income during the year:</b>		
Income reclassifiable to P&L	232,303	974,250

<b>Total Income tax recognised in Other comprehensive income</b>	232,303	974,250
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**Note: 25 Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. management is to ensure that the Company complies with RBI prescribed Capital adequacy requirements and maintains adequate capital to support its business and maximise shareholders value. The Capital to Risk Weighted Asset Ratio (CRAR) of the company is as under.

Items	As at 31st March 2020	As at 31st March 2019
i. CRAR (%)		
ii. CRAR - Tier I capital (%)		
ii. CRAR - Tier II capital (%)		

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Company has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as a part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.

**Note: 26 Financial Risk Management**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Company has exposure to the following risks arising from its business operations:

**i) Credit risk**

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit Risk is monitored through stringent credit appraisal, counterparty limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counter parties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Company primarily offers loans secured by Real estate. In order to mitigate credit risk, Company also seeks collateral appropriate to the product segment. estate. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of real estate.

**a) Maximum exposure to the Credit risk**

This table below shows the Company's maximum exposure to the credit risk.

Particulars	20-Mar	43,909	43,908
Financial Assets at amortised cost - Loans & Advances (Gross)			
Less : Impairment loss allowances			
Financial Assets at amortised cost - Loans & Advances (Net)			
Trade receivables			
Total			

Policies set out in Note No 1, have been applied consistently to all the periods presented in the financial statements, including comparative information presented in the financial statements for the year ended March 31, 2019 and the opening Ind AS Balance Sheet as at April 1, 2018.

In preparing these Ind AS Financial Statements, the Company has also availed certain exemptions and exceptions in accordance with Ind AS 101, as explained



below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2018 and the subsequent financial statements.

**Optional Exemptions from retrospective application:**

Ind AS 101 allows first time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application of Ind AS:

a) Deemed cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to measure all its property plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

b) Investments in subsidiaries

The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

The company has prepared opening Balance Sheet as per Ind AS as of April 01, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

The company has prepared opening Balance Sheet as per Ind AS as of April 01, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

**Reconciliation of balance sheet (including equity) as previously reported under IGAAP to Ind AS**

	As at 1st April 2018			
	Previous GAAP	Adjustment	Ind AS	Ind AS
<b>ASSETS</b>				
<b>1 Financial Assets</b>				
(a) Cash & cash equivalents	3,315,660	-	3,315,660	35,411,428
Bank balances other than Cash & cash equivalents	-	-	-	-
(b) Receivables	-	-	-	-
(d) Loans (refer note i and ii)	13,945,061	215,766,019	229,711,080	81,554,569
(e) Non-Investments	1,181,125	-	1,181,125	520,560
Other financial assets (refer note v and vii)	229,711,080	-229,711,080	-	127,443,750
<b>2 Non-financial Assets</b>				
(a) Current tax assets(net)	-	13,945,060	13,945,060	6,909,335
Deferred tax asset (net) (refer note ix)	-	-	-	974,250
(c) Property, plant and equipment	189,873	202	190,075	138,618
(d) Intangible assets	-	-	-	-
(e) Capital work in progress	-	-	-	-
(f) Right of use assets (refer note vii)	-	-	-	-
Other non-financial assets (refer note v)	-	-	-	-
<b>Total Assets</b>	<b>248,342,799</b>	<b>201</b>	<b>248,343,000</b>	<b>252,952,510</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial Liabilities</b>				
Payables				
(i) Trade Payables				
total outstanding dues of micro enterprises and small enterprises	-	-	-	
total outstanding dues of creditors other than micro enterprises and small enterprises	453,263	-	453,263	1,072,860
(ii) Other Payables	-			

	total outstanding dues of micro enterprises and small enterprises	-	-		
	total outstanding dues of creditors other than micro enterprises and small enterprises	-	115,695	115,695	1,352,661
(b)	Borrowings	-	-	-	-
(c)	Deposits	-	-	-	-
(d)	Other financial liabilities (refer note vii)	-	-		
	<b>2 Non-Financial Liabilities</b>				
(a)	Current tax liabilities (net)	-	-		
(b)	Provisions	3,450,166	-100,166	3,350,000	-
(c)	Other non-financial liabilities	15,530	-15,530		
	<b>EQUITY</b>				
(a)	Equity share capital	64,493,800	-	64,493,800	64,493,800
(b)	Other equity	179,930,040	202	179,930,242	186,033,189
	<b>Total Liabilities and Equity</b>	<b>248,342,799</b>	<b>201</b>	<b>248,343,000</b>	<b>252,952,510</b>

**Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS**

		For the year ended 31st March ,2019		
		Previous GAAP	Adjustment	Ind AS
<b>1</b>	<b>Revenue from operations :</b>			
	Interest income (refer note i)	36,294,346	-	36,294,346
	Fees and commission income	-	-	-
	Net gain on fair value changes	-	-	-
	<b>Total revenue from operations</b>	<b>36,294,346</b>	<b>-</b>	<b>36,294,346</b>
	Other income (refer note vii)	-		
	<b>Total income</b>	<b>36,294,346</b>	<b>-</b>	<b>36,294,346</b>
<b>2</b>	<b>Expenses :</b>			
	Finance costs (refer note iv and vii)	8,412,156	3,799,290	12,211,446
	Impairment of financial instruments (refer note ii)	3,799,290	-3,799,290	-
	Employee benefits expenses (refer note viii)	3,948,775	-	3,948,775
	Depreciation and amortization (refer note v and vii)	51,255	-	51,255
	Others expenses (refer note vii)	7,557,273	-100	7,557,173
	Total expenses	23,768,749	-100	23,768,649
<b>3</b>	<b>Profit/(loss) before tax</b>	<b>12,525,697</b>	<b>100</b>	<b>12,525,697</b>
<b>4</b>	<b>Tax Expense:</b>			
	Current Tax	3,500,000	-	3,500,000
	Deferred Tax(Credit) (refer note ix)	-	-	-
	Total Tax expense	3,500,000	-	3,500,000
<b>5</b>	<b>Profit / (loss) for the period from continuing operations</b>	<b>9,025,697</b>	<b>100</b>	<b>9,025,697</b>
<b>6</b>	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss	-	-3,897,000	-3,897,000
	Remeasurement gain/(loss) on Defined benefit plan (refer note vi)	-	-	
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	974,250	974,250

	Other Comprehensive Income	-	-2,922,750	-2,922,750
7	<b>Total Comprehensive Income for the period</b>	9,025,697	-2,922,650	6,102,947

#### Transition to Ind AS - Reconciliations

##### Reconciliation of Equity

Particulars	As at	As at
	31st March 2019	1st April 2018
<b>Total Equity as per IGAAP</b>	6,449,380	6,449,380
<b>Adjustment made during the transition to IND AS</b>		
a) Ind as 116 Adjustment (refer note vii)	-	-
b) ECL Adjustment on Financial instruments measured at Amortized cost (ii)	-	-
c) Others (including taxes)	-	-
<b>Total Impact due to Ind AS transition on April 1, 2018</b>	-	-
<b>Total Equity as per Ind AS as at 1st April, 2018</b>	6,449,380	6,449,380

##### Statement of reconciliation of cash flow statement under Ind AS and cash flow statement reported under Previous GAAP

Particulars	Previous GAAP	Adjustment	Ind AS
Net cash used in operating activities (A) (refer note vii)	3,426,784	156,112,532	159,539,316
Net cash used in investing activities (B)	28,668,984	-156,112,532	-127,443,548
Net cash generated from financing activities (C)(refer note vii)	-	-	-
Net increase in cash and cash equivalents (A+B+C)	32,095,768	-0	32,095,768
Cash and cash equivalents at beginning of the year	3,315,660	-	3,315,660
Cash and cash equivalents at the end of the year	35,411,428	-0	35,411,428

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following notes and tables.

#### i) Effective interest rate (EIR) method :

Previous GAAP did not require loans to be recorded using the EIR method. Under Ind AS, the EIR method calculates the amortised cost of a financial instrument and allocated such interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### ii) Expected credit loss (ECL) :

Previous GAAP provisions for credit losses were primarily based on RBI guidelines. Under Ind AS, the ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial assets ('life time ECL'), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL.

#### iii) Income recognition on credit-impaired loans :

RBI guidelines required income on NPAs to be reversed. Under Ind AS, income continues to be recognised on credit impaired loans, by applying the effective interest rate to the net amortised cost of loans (i.e. net of allowance for loan losses)

#### iv) Borrowing costs :

Previous GAAP did not require amortised cost accounting for liabilities. Under Ind AS, the Company determines the effective interest rate of its borrowings and records interest expense on that basis.

**v) Deferred tax :**

Deferred tax effect of all adjustments has been recognised on transition date and during the year ended 31 March 2019.

**vi) Ind AS 101 exemptions :**

The company has used certain available exemptions under Ind AS 101 for first-time adoption, and accordingly has retained the accounting under Previous GAAP for transactions that occurred prior to the Ind AS transition date. These optional exemptions relate to property plant and equipment, intangible assets, investment in subsidiaries.

**vii) Cash flow statement :**

There are no significant differences in the principles used for presenting cash flows between the previous GAAP and Ind AS.

**STEPHANOTIS FINANCE LIMITED****(Formerly: Vora Constructions Limited)**

C I N : L 4 5 2 0 0 M H 1 9 8 5 P L C 0 3 6 0 8 9

Registered Office: 3, Ground Floor, Durga Chambers,  
Veena Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai -  
400 053

**PROXY FORM**

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

Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No./DP ID & Client ID	:	

I/We, being the member(s) of \_\_\_\_\_ shares of New Markets Advisory Limited, hereby appoint:

1.	Name :	
	Address:	
	E-mail address:	or failing him
2.	Name :	
	Address:	
	E-mail address:	or failing him
3.	Name :	
	Address:	
	E-mail address:	or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on the Monday, 30th November, 2020 at 02.00 p.m. at 3, Ground Floor, Durga Chambers, Veena Industrial estates, Off Veera Desai Road, Andheri (West), Mumbai - 400053 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business	
1.	Adoption of the Financial Statements for the financial year ended 31st March 2020 and the Board of Directors' and Auditors' Reports thereon.
2.	Appointment of Director in place of Mr. Sumit Malge (DIN: 07157093), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Affix Revenue  
Stamp of  
₹ 1

Signature of Shareholder

Signature of Proxy

Notes:

1. 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.
2. For the resolutions, explanatory statement and notes please refer notice of 35th Annual General Meeting.

[illegible]

**VENUE MAP :****Route Map to the AGM Venue:**

**Venue:** 3, Ground Floor, Durga Chambers, Veena Industrial Estate,  
Off Veera Desai Road, Andheri (West), Mumbai- 400 053



*If undelivered, please return to:*  
**Stephanotis Finance Limited**  
**(Formerly: Vora Constructions Ltd.)**

3, Ground Floor, Durga Chambers, Veena Industrial Estate, Off  
Veera Desai Road, Andheri (Wset), Mumbai – 400 053