

STARTECK FINANCE LIMITED

35th ANNUAL REPORT

2019-2020

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anand Shroff (w.e.f. 13th June, 2019)
Mr. Sudarshan Somani
Mr. Gautam Panchal
Mrs. Sandhya Malhotra (w.e.f. 26th June, 2020)
Mr. Pankaj Jain (w.e.f. 26th June, 2020)
Mrs. Lalitha Cheripalli

CHIEF FINANCIAL OFFICER

Mr. Anand Shroff (w.e.f. 30th May, 2019)

COMPANY SECRETARY

Ms. Shreya Shetty (w.e.f. 14th November, 2019)
Ms. Sweta Gupta (upto 14th November, 2019)

AUDITORS

M/s. Lodha & Co.
Chartered Accountants, Mumbai

BANKERS

Kotak Mahindra Bank Ltd.
Barclays Bank PLC
ICICI Bank Ltd.
Axis Bank Limited
HDFC Bank

REGISTERED OFFICE

5th Floor, Sunteck Centre, 37-40,
Subhash Road, Vile Parle (East), Mumbai-400057
CIN: L51900MH1985PLC037039
Tel: 91 22 4287 7800 Fax: 91 22 4287 7890
E-mail: cosec@starteckfinance.com
Website: www.starteckfinance.com

REGISTRAR & TRANSFER AGENTS

Adroit Corporate Services Private Limited
1st Floor, 17/20, Jafferbhoy Industrial Estate,
Makwana Road, Marol Naka, Andheri (East), Mumbai - 400059.
Tel. No. 022-4227 0400 Fax No. 022-2850 3748
E-mail: support@adroitcorporate.com
Website: www.adroitcorporate.com
Website: www.adroitcorporate.com

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DIRECTORS' REPORT

To
The Members,
Starteck Finance Limited
(Formerly Nivedita Mercantile & Financing Limited)

Your Directors have the pleasure in presenting the 35th Annual Report of the Company on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2020.

FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended on 31.03.2020	For the year ended on 31.03.2019	For the year ended on 31.03.2020	For the year ended on 31.03.2019
Revenue from operations	2796.25	1517.17	2815.04	1517.80
Other Income	-	9.65	1.00	9.65
Total Revenue	2796.25	1526.82	2816.04	1527.45
Total Expenditure	2407.64	1313.63	2450.97	1343.29
Profit before tax (PBT)	388.61	213.19	365.07	184.16
Less: Income Tax Provision				
Current Tax	-	35.73	2.90	35.73
Excess/(Short)provision for tax		-	-	-
Profit After Tax	388.61	177.46	362.17	148.43

PERFORMANCE

During the year under review, the consolidated revenue from operations for the current year amounted to ₹ 2815.04/-lakhs against ₹ 1517.80/- compared to the previous year. The profit after tax on consolidated basis stands at ₹ 362.17/- lakhs as compared to ₹ 148.43 /- lakhs during the previous year.

The revenue from operations earned is ₹ 2796.25/- lakhs compared to previous year's revenue of ₹ 1517.17/- lakhs on standalone basis. The profit after tax on standalone basis stands at ₹ 388.61/- lakhs as compared to ₹ 177.46/- lakhs during the previous year. During the financial year under review, there has been no change in the nature of business of the Company.

DIVIDEND

Your Directors are pleased to recommend a dividend of 2.5 % i.e. Re. 0.25/- per equity share having face value of Rs. 10 each held by persons/entities other than promoter and promoter group subject to approval of shareholders at the ensuing Annual General Meeting (AGM).

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to reserves out of the profits earned during financial year 2019-20.

SHARE CAPITAL

During the year under review, the Company has not allotted any Equity Shares, thus the paid up Equity Share Capital of the Company remains the same i.e. 99,10,330 equity shares of ₹ 10/- each. Also, the Company has not issued shares with differential voting rights and sweat equity shares.

DEPOSITS

Your Company being a Non-Deposit Accepting NBFC has not accepted any deposits from public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 or under Chapter V of the Companies Act, 2013 (hereinafter referred to as "**the Act**").

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The Company has total 3 Subsidiaries i.e. Starteck Housing Finance Private Limited, V Can Exports Private Limited and Chitta Finlease Private Limited. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013.

During the year under review the Company incorporated Starteck Housing Finance Private Limited (SHFPL) as a wholly owned subsidiary for the purpose of carrying on housing finance activities. SHFPL has submitted an application to the Reserve Bank of India for registration as a Housing Finance company.

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable accounting standards, issued by the Institute of Chartered Accountants of India, forms part of this Annual Report. Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Financial Statements of the Company, Consolidated Financial Statements along with relevant documents and separate annual accounts in respect of the subsidiaries are available on the website of the Company and can be accessed at the web-link www.starteckfinance.com.

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

The annual accounts of the subsidiaries and related detailed information will also be available for inspection at the Registered Office of the Company during working hours upto the date of the Annual General Meeting.

A statement containing the salient features of the financial statement of the subsidiaries in prescribed form AOC-1 as **Annexure A** is attached to this Report.

As required under Regulations 16(1)(c) and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**"), the Board has approved and adopted the Policy for determining Material Subsidiaries. The Policy has been amended in line with the amendments made to the SEBI Listing Regulations. The Policy is available on the Company's website at www.starteckfinance.com/codes-or-policies.html. During the period under review, the Company had 1 (one) material subsidiary i.e Starteck Housing Finance Private Limited.

MATTERS RELATING TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2020, the Company had four (4) Directors, out of which two (2) are Independent Directors who provide valuable guidance to the Management of the Company on various aspects of the Company's business operations. The Board has an optimum combination of executive and non-executive directors with one woman director and more than fifty per cent of the Board comprising of non-executive independent directors.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments thereto, the Board of Directors of top 2000 listed entities (based on the market capitalization as at the end of the immediate previous year) shall comprise of not less than six Directors with effect from 1st April, 2020 and therefore on the basis of the recommendation of the Nomination and Remuneration Committee, the Company appointed two more Directors on the Board viz. Mr. Pankaj Jain as Non-Executive Non-Independent Director and Mrs. Sandhya Malhotra as Non-Executive Independent Director with effect from 26th June, 2020.

Ms. Lalitha Cheripalli (DIN: 07026989), Director of the Company retires by rotation and being eligible offers herself for reappointment. Ms. Sweta Gupta resigned as Company Secretary of the Company on 14th November, 2019. Further, Ms. Shreya Shetty was appointed as Company Secretary effective from 14th November, 2019. Mr. Anand Shroff was appointed as Chief Financial Officer on 30th May, 2019 and Whole Time Director of the Company for a term of 5 years with effect from 13th June, 2019.

DECLARATIONS BY INDEPENDENT DIRECTORS

The Company has received declarations from Mr. Sudarshan Somani, Mr. Gautam Panchal and Ms. Sandhya Malhotra, Independent Directors of the Company confirming that they meet the 'criteria of Independence' as prescribed under

Section 149(6) of the Act and have submitted their respective declarations as required under Section 149(7) of the Act and Regulation 16(1) of the Listing Regulations that they are not aware of any circumstance or situation, which exists or is anticipated, that could impair or impact their ability to discharge their duties with an independent judgment and without any external influence as required under Regulation 25 of the Listing Regulations.

The Independent Directors also confirmed that they have duly registered their names in the data bank for Independent Directors maintained by Indian Institute of Corporate Affairs. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualities to act as Independent Directors including integrity, relevant expertise and experience. The Board further confirms that the Independent Directors who were required to, have duly passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

The certificate under Regulation 34(3) of Listing Regulations forms part of this report.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Number of Meetings of the Board of Directors

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 6 (Six) times. The Meetings of the Board were held on 30th May, 2019, 13th June, 2019, 12th August, 2019, 26th August, 2019, 14th November, 2019 and 14th February, 2020. Further details on the Board Meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

The Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

The Board has constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee of the Board with specific terms of reference as per the requirements of the Listing Regulations and the Act and they make specific recommendations to the Board on matters within their areas of purview. The details with respect to the composition, powers, roles, terms of reference, Meetings held and attendance of the Directors at such Meetings of the relevant Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Annual Report.

Additionally, during the year under review, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act and to the best of their knowledge and belief and according to the information and explanations obtained from the Management, the Directors of your Company state that:-

- in the preparation of the annual Accounts, the applicable Accounting Standards have been followed and there were no material departures from the same;
- such accounting policies have been selected and applied consistently and the Directors 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 on 31st March, 2020 and of the profits of the Company for the year ended on that date;
- proper and sufficient care was taken 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;
- the annual Accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNUAL EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include,

among others, integrity and maintenance of confidentiality and independence of judgment, Chairmanship of Board and Committees, quality, quantity and timeliness of the flow of information between the Board Members and the Management, role and effectiveness of the Committees and effective management of relationship with stakeholders. The Directors completed questionnaires providing feedback on functioning of the Board, Committees and Chairman of the Board.

The Nomination and Remuneration Committee also reviews the performance of the Board of Directors at such regular intervals as may be necessary on the basis of performance evaluation indicators.

Further, Independent directors of the Company met once during the year to discuss and review:

- report on performance evaluation for the year 2019-20 of the Board;
- performance of non-independent directors and the Board as a whole;
- performance of the Chairperson of the Company, taking into account the views of executive director and non-executive directors; and
- the quantity, quality and timely flow of information between the Management and the Board, and found it to be in line with the expectations.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has a duly constituted Nomination, Remuneration and Compensation Committee ("NRC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and Listing Regulations.

The policy, inter alia, provides the (a) criteria for determining qualifications, positive attributes and independence of directors and (b) policy on remuneration for directors, key managerial personnel and other employees. The policy is directed towards a compensation philosophy and structure that will attract, retain and motivate talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The NRC has formulated a policy on remuneration under the provisions of Section 178(3) of the Act and Listing Regulations and the same is uploaded on the website of the Company <http://www.starteckfinance.com/codes-or-policies.html>

PARTICULARS OF EMPLOYEES

During the Financial Year 20-21, there were no persons employed, for whole or part of the financial year who were in receipt of remuneration of not less than Rs. 8.5 lakhs p.m.

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure E** attached hereto.

Details required under the provisions of section 197(12) of the Act read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be made available to any member on request, as per provisions of section 136(1) of the Act.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

VIGIL MECHANISM

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the Listing Regulations. The policy/vigil mechanism enables directors and employees to report to the Management genuine concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics and leak or suspected leak of unpublished price sensitive information. It also provides for adequate safeguards against victimization of employees who avail of the whistle blower mechanism and allows direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Whistle Blower Policy of the Company is placed on the website of the Company <http://www.starteckfinance.com/codes-or-policies.html>. During the year, none of the employees have been denied access to the Audit Committee under this policy.

RISK MANAGEMENT POLICY

The Board of Directors have adopted a risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company during the year with related parties were in the ordinary course of business and on an arm's length basis.

Pursuant to Section 134 (3) (h) read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188 (1) of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions, as required under Section 134 (3) (h) of the Act in Form AOC-2 is not applicable to the Company.

The Policy on Related Party Transactions in line with the Listing Regulations is uploaded on the Company's website <http://www.starteckfinance.com/codes-or-policies.html>.

Details on transactions with related parties are provided in notes to financial statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations, details of Loans, guarantees and investments given/made during the financial year under review are part of the financial statements.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

During the year under review, there were no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The internal financial controls of the Company are commensurate with its size, scale and complexity of operations. The Company has adopted policies and procedures to ensure integrity in conducting business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

STATUTORY AUDITORS

The Company had appointed M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) as Statutory Auditors of the Company in the Annual General Meeting held on September 26, 2019 to hold office for a term of 5 years from the conclusion of the 34th Annual General Meeting to the conclusion of the 39th Annual General Meeting of the Company.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit reports on the financial statements for the year ended 31st March 2020.

During the year under review, the Statutory, Secretarial and Internal Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Act, the Board had re-appointed Mr. Veeraraghavan N., Practising Company Secretary (Membership No. A6911), to undertake secretarial audit of the Company for financial year 2019-

20. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor. The report from the secretarial auditor in the prescribed Form MR-3 is attached to this Report as **Annexure B**.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the Company.

INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The Company had appointed M/s. Sandeep V. Chavan and Company, (Firm Registration No. 148937W), Chartered Accountants, as Internal Auditors of the Company for financial year 2019-20. Findings of the Internal Auditor are placed before Audit Committee, which reviews and discusses the actions taken with the Management.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Committee has formulated a Corporate Social Responsibility Policy ("CSR Policy") and a brief outline of the Policy and the initiatives undertaken by the Company during the year are set out in Annual Report on CSR activities as **Annexure C** as per the format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the Company's website at <http://starteckfinance.com/codes-or-policies.html>

Further details on the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. As the Company did not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the financial year 2018-19, the Company was not required to spend any amount towards CSR during the financial year. However, the Company has spent ₹ 7,50,000 towards CSR activities during the financial year 2019-20. The Company has undertaken projects in the areas of Health as part of its initiatives under Corporate Social Responsibility (CSR). These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

The extract of annual return as provided under section 92(3) of the Act, in the prescribed form MGT-9 is annexed to this Report as **Annexure D** and is also available on the Company's website at www.starteckfinance.com.

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

The operations of the Company, being financial services related, require normal consumption of electricity. The Company is taking every necessary step to reduce its consumption of energy. Further, given the nature of the activities of the Company, the disclosure on technology absorption is not applicable to the Company.

Foreign Exchange Earnings and Outgo are as follows:

- i) Foreign Exchange Earned: NIL
- ii) Foreign Exchange Outflow: NIL

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment of women. We further state that during the financial year under review, there were no complaints received/cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Annexure A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details		
1	Name of the subsidiary	Chitta Finlease Private Limited	V Can Export Private Limited	Starteck Housing Finance Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	July 31, 2019 (Incorporation date) to March 31, 2020
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
4	Date since when subsidiary was acquired	14.01.2016	25.03.2015	31.07.2020
5	Share capital	1.00	1.00	1100
6	Reserves & surplus	(256.63)	10.42	(1.88)
7	Total Assets	1504.61	11.53	1117.42
8	Total Liabilities	1504.61	11.53	1117.42
9	Investments	1504.01	-	-
10	Turnover	-	-	-
11	Profit before taxation	(24.73)	0.25	0.95
12	Provision for taxation	-	0.06	(2.83)
13	Profit after taxation	(24.73)	0.19	(1.88)
14	Proposed Dividend	-	-	-
15	% of shareholding	100	100	100

The following information shall be furnished:-

- Names of subsidiaries which are yet to commence operations - Starteck Housing Finance Private Limited
- Names of subsidiaries which have been liquidated or sold during the year - Nil

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	
<ol style="list-style-type: none">1. Latest audited Balance Sheet Date2. Shares of Associate/Joint Ventures held by the company on the year end No. Amount of Investment in Associates/Joint Venture Extend of Holding %3. Description of how there is significant influence4. Reason why the associate/joint venture is not consolidated5. Networth attributable to Shareholding as per latest audited Balance Sheet6. PProfit / Loss for the year<ol style="list-style-type: none">i. Considered in Consolidationii. Not Considered in Consolidation	Not Applicable

The following information shall be furnished:-

1. Names of associates or joint ventures which are yet to commence operations - Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

**For and on Behalf of the Board of Directors
of Starteck Finance Limited**

Anand Shroff
Director (DIN: 08480489)

Sudarshan Somani
Director (DIN: 00137568)

Gautam Panchal
Director (DIN:07826634)

Lalitha Cheripalli
Director (DIN: 07026989)

Place: Mumbai
Date: 26th June, 2020

Annexure B

Form No. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2020

[Pursuant to Section 204 (1) of the Companies Act 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To
The Members,
Starteck Finance Limited
(Formerly Nivedita Mercantile and Financing Limited)
(CIN: L51900MH1985PLC037039)**

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Starteck Finance Limited (Formerly known as Nivedita Mercantile and Financing Limited) (CIN: L51900MH1985PLC037039) (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020, according to the provisions of :

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii). The Depositories Act 1996 and the Regulations and bye-laws framed thereunder;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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, 2015;
 - (d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - (j) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

(vi). Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-deposit taking Non Systemically Important NBFC which are specifically applicable to the Company.

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

- (i) Secretarial Standard issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Veeraraghavan N.

ACS No. 6911

CP No. 4334

Place: Mumbai

Date: May 23, 2020

Annexure C

Annual Report on CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

2. Composition of the CSR Committee:

Name of the Director	Category	Position
Mr. Gautam Panchal	Non- Executive Independent Director	Chairman
Mr. Sudarshan Somani	Non- Executive Independent Director	Member
Mr. Anand Shroff	Whole-time Director	Member

3. CSR Policy

Web link: www.starteckfinance.com/Downloads/Corporate-Social-Responsibility-CSR-Policy.pdf

4. Average net profit of the Company for last three financial years:

Not applicable, since the Company was not required to spend any amount towards CSR during the financial year under review.

5. Prescribed CSR Expenditure (two percent of the amount as in item 4 above):

As the net profit of the Company during financial year 18-19 was below ₹ 5 crores, your Company was not required to spend any amount towards CSR during the financial year under review.

6. Details of CSR spent during the financial year:

- a) Total amount spent during the financial year: ₹ 7,50,000/-
- b) Amount unspent, if any: Not Applicable
- c) Manner in which the amount spent during the financial year is detailed below:

Projects / Activities	Sector in which the Project is covered	Locations	Amount Outlay (Budget) Project or Programs Wise	Amount spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
Contribution to Ekam Foundation towards promotion of health and welfare of Women and Children	Health	Mumbai	75,00,000	75,00,000	75,00,000	Direct

7. Reasons for failure to spend the two percent of the average net profit of the last three financial years or any part thereof:

Not Applicable

8. Responsibility statement

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

For and on Behalf of the Board of Directors

Anand Shroff
Director (DIN: 08480489)

Gautam Panchal
Director (DIN: 07826634)
(Chairman CSR Committee)

Date: 26th June, 2020
Place: Mumbai

Annexure - D

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L51900MH1985PLC037039
Registration Date	05.08.1985
Name of the Company	Starteck Finance Limited (Formerly known as Nivedita Mercantile & Financing Limited)
Category/ Sub-Category of the Company	Company having Share Capital/Indian Non-Government Company
Address of the Registered Office and contact details	5th Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (E) Mumbai -400 057 Tel. No.: 91 22 4287 7800 Fax No.: 91 22 4287 890 Email: cosec@starteckfinance.com Website : www.starteckfinance.com
Whether Listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Private Limited 17/20 Jafferbhoy Ind. Estate, 1 st Floor, Makwana Road, Marol, Andheri (E), Mumbai- 400 059 Tel. No.:91 22- 42270400 Fax No.:91 22- 28503748 Website: www.adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/Services	NIC code of the Product/ Service	% to total turnover of the Company
1.	This class includes financial service activities primarily concerned with making loans by institutions not involved in monetary intermediation (such as venture capital companies, industrial banks, investment clubs), where the granting of credit can take a variety of forms, such as loans.	64920	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Starteck Housing Finance Private Limited 5 th Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai - 400057	U65922MH2019PTC328699	Subsidiary Company	100.00	2(87)
2.	V Can Exports Private Limited 5 th Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai - 400057	U51909MH2003PTC139722	Subsidiary Company	100.00	2(87)

3.	Chitta Finlease Private Limited 5 th Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai - 400057	U65900MH1995PTC090846	Subsidiary Company	100.00	2(87)
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IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual / HUF	2122000	-	2122000	21.41	2122000	-	2122000	21.41	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	2430839	-	2430839	24.53	2430839	-	2430839	24.53	-
e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
f)	Any other-Trusts	1868332	-	1868332	18.85	1926926	-	1926926	19.44	0.59
Sub- Total(A) (1)		6421171	-	6421171	64.79	6479765	-	6479765	65.83	0.59
(2)	Foreign									-
a)	NRI's-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
Sub- Total(A) (2)		-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1)+(A)(2)		6421171	-	6421171	64.79	6479765	-	6479765	65.83	0.59
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-

g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Any other	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)		-	-	-	-	-	-	-	-	-
(2)	Non Institutions									
a) Bodies Corporate										
i)	Indian	948183	930	949113	9.58	983373	930	984303	9.93	0.35
ii)	Overseas	-	-	-	-	-	-	-	-	-
b) Individuals										
i)	Individual (including HUF) Shareholders holding nominal share capital upto Rs.1 lakh	33339	29670	63009	0.64	67127	21670	88797	0.90	0.26
ii)	Individual (including HUF) Shareholders holding nominal share capital in excess of Rs.1 lakh	2476637	-	2476637	24.99	2357462	-	2357462	23.79	(1.2)
c)	Clearing Members	400	-	400	0.001	3	-	3	0.00	0.001
Sub-Total (B)(2)		3458559	30600	3489159	35.21	3407965	22600	3430565	34.62	(0.59)
Total Public Shareholding (B)=(B)(1)+(B)(2)		3458559	30600	3489159	35.21	3407965	22600	3430565	34.62	(0.59)
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		9879730	30600	9910330	100.00	9887730	22600	9910330	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Akrur Khetan	545400	5.50	-	545400	5.50	-	-
2	Anupma Khetan	545400	5.50	-	545400	5.50	-	-
3	Astha Trust	491666	4.96	-	491666	4.96	-	-

4	Eskay Infrastructure Development Pvt. Ltd.	1045700	10.55	-	1045700	10.55	-	-
5	Glint Infraprojects Pvt. Ltd.	415000	4.19	-	415000	4.19	-	-
6	Krupa Family Private Trust	360000	3.63	-	360000	3.63	-	-
7	Kamal Khetan	325400	3.28	-	325400	3.28	-	-
8	Kamal Khetan HUF	325400	3.28	-	325400	3.28	-	-
9	Paripurna Trust	267000	2.69	-	325594	3.29	-	0.59
10	Shraddha Trust	258000	2.60	-	258000	2.60	-	-
11	Manisha Khetan	380400	3.84	-	380400	3.84	-	-
12	Matrabhav Trust	491666	4.96	-	491666	4.96	-	-
13	SW Capital Pvt. Ltd.	970139	9.79	-	970139	9.79	-	-
	Total	6421171	64.79	-	6479765	65.38	-	0.59

(iii) Change in Promoters' Shareholding:

Paripurna Trust	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	267000	2.69	267000	2.69
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):				
Increase in shareholding as on 23 rd & 24 th December, 2019	31100	0.31	298100	3.01
Increase in shareholding as on 26 th December, 2019	27494	0.28	325594	3.29
At the end of the year	325594	3.29	325594	3.29

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADR)

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mount Overseas Private Limited	291667	2.94	291667	2.94
2.	Dipti Shailesh Parekh	250000	2.52	250000	2.52
3.	Lalita Kamal Kishore Vyas	250000	2.52	250000	2.52
4.	Shailesh Popatlal Parekh	250000	2.52	250000	2.52
5.	Industele Services Private Limited	225000	2.27	225000	2.27
6.	Renu Rajesh Agarwal	208333	2.10	208333	2.10
7.	Mehek Mercantile Pvt Ltd	-	-	113638	1.15
8.	Matadi Advisory Services Private Limited	100000	1.01	100000	1.01
9.	Palladium Finserve Private Limited	32	0.00	91701	0.93
10.	Vanna Trading Company Private Limited	90000	0.91	90000	0.90

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	None of the Directors/ KMP hold shares in the Company			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
At the end of the year				

V. INDEBTEDNESS

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

(₹ In Lakh)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5737.22	3383.51	-	9120.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	30.27	-	-	30.27
Total (i+ii+iii)	5767.49	3383.51	-	9151.00
Change in Indebtedness during the financial year				
Additions	2041.70	-	-	2041.70
Reduction	-	(2320.80)	-	(2320.80)
Net Change	2041.70	(2320.80)	-	(279.10)
Indebtedness at the end of the financial year				
i) Principal Amount	7779.07	1062.71	-	8841.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	30.11	-	-	30.11
Total (i+ii+iii)	7809.18	1062.71	-	8871.89

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

Sr. No.	Particulars	Name of Managing Directors / Whole Time Directors	Total Amount
		Mr. Anand Shroff - WTD	
1	Gross Salary	55.00	55.00
	Value of perquisite	-	-
	Profits in Lieu of Salary	-	-
2	ESOPs	-	-
3	Sweat Equity	-	-
4	Commission(as % of profit or others)	-	-
5	OTHERS(Specify)	-	-
	TOTAL	55.00	55.00
	Ceiling as per the Act	Rs. 3,61,634 ((being 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013). The remuneration payable to Mr. Anand Shroff was approved by the shareholders of the Company in the Annual General Meeting held on September 26, 2019.	

B. Remuneration to other Directors:

(₹ In Lakh)

Sr. No.	Particulars of Remuneration	Mr. Gautam Panchal	Mr. Sudarshan Somani	Total
1.	Independent Directors			
	- Fee for attending Board/Committee Meetings	0.3	0.3	0.6
	- Commission			
	- Others			
	Total (1)			
2.	Non-Executive Directors	Mrs. Lalitha Cheripalli		Total
1.	- Fee for attending Board/Committee Meetings			
2.	- Commission			
3.	- Others		1.14	1.14
	Total (2)			1.14
	Total (B)= (1+ 2)			1.74
	Overall Ceiling as per the Act	Within the limits as specified under Companies Act, 2013		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ In Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Key Managerial Personnel
		Shreya Shetty Company Secretary*	Sweta Gupta Company Secretary*
1.	Gross Salary	4.47	10.40#
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites under Section 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	-	-
5.	Others	-	-
	Total	4.47	10.40

*Remuneration pertains to relevant period of appointment during the year.

includes Leave Encashment.

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty		None			
Punishment					
Compounding					
B. DIRECTORS					

Penalty	None
Punishment	
Compounding	
C.OTHER OFFICERS IN DEFAULT	
Penalty	None
Punishment	
Compounding	

For and on Behalf of the Board of Directors

Anand Shroff **Sudarshan Somani**
Director (DIN: 08480489) **Director (DIN: 00137568)**

Gautam Panchal **Lalitha Cheripalli**
Director (DIN: : 07826634) **Director (DIN: 07026989)**

Place: Mumbai
Date: 26th June, 2020

Annexure E

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of remuneration of each Director to the median employees' remuneration for the Financial Year:

Name of the Directors/ KMP	Designation	Ratio of Remuneration to the median remuneration of all employees
Anand Shroff	Whole Time Director	12.22

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, and Company Secretary in the Financial Year 2019-20- Nil
- iii. The percentage increase/ decrease in the median remuneration of Employees for the financial year- Nil
- iv. There were 7 permanent employees on the rolls of the Company as on 31st March, 2020.
- v. Average increase already made in the salaries of employees other than the managerial personnel in the financial year and its comparison with the percentile increase in the managerial remuneration. - Not Applicable
- vi. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Notes:

- For the purpose of determining the ratio of remuneration and percentage increase in remuneration of directors above, only remuneration of Executive Director is considered.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "**Listing Regulations**"), the report containing the details of the Governance systems and process at Starteck Finance Limited (formerly Nivedita Mercantile and Financing Limited) is as under:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and system that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. This is vital to gain and retain investor trust.

Corporate Governance norms and processes ensure effective engagement with the changing business environment and always seek to ensure that its performance goals are met with integrity. Your Company considers its inherent responsibility to disclose timely and accurate information regarding financials and performance of the Company.

The Company is in compliance with the applicable requirement specified in Regulation 17 to Regulation 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

BOARD OF DIRECTORS

Composition of the Board:

As on March 31, 2020, the Company has four (4) Directors, out of which two (2) are Independent Directors who provide valuable guidance to the Management of the Company on various aspects of the Company's business operations. The Board has an optimum combination of executive and non-executive directors with one woman director and more than fifty per cent of the Board comprising of non-executive independent directors. The composition of the Board is in accordance with the provisions of the Companies Act, 2013 (hereinafter "**the Act**") and the Listing Regulations, as amended from time to time.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments thereto, the Board of Directors of top 2000 listed entities (based on the market capitalization as at the end of the immediate previous year) shall comprise of not less than six Directors with effect from 1st April, 2020 and therefore on the basis of the recommendation of the Nomination and Remuneration Committee, the Company appointed Mr. Pankaj Jain as Non-Executive Non-Independent Director and Mrs. Sandhya Malhotra as Non-Executive Independent Director with effect from 26th June, 2020.

None of the non-executive directors on the Board have attained the age of seventy five years.

The Board is periodically updated on the orderly succession to the Board and Senior Management. It has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

The Board periodically reviews legal compliance reports with respect to the various laws applicable to the Company as prepared and placed before it by the Management.

Number of Board meetings held, dates on which held:

During the Financial year ended on March 31, 2020, the Board of Directors of the Company met six times and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board met are May 30, 2019, June 13, 2019, August 12, 2019, August 26, 2019, November 14, 2019 and February 14, 2020. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings and at the last Annual General Meeting and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given below:

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM held on September 26, 2019	Number of Directorship in other Indian Public Limited companies as on March 31, 2020#	No. of Committee positions held in other Indian Public Limited companies as on March 31, 2020\$		Directorships in other listed entities	
					Chairman	Member	Name of the Listed Entity	Category of Directorship
Sudarshan Somani	Non-Executive, Independent	6	Yes	2	1	1	West Coast Paper Mills Limited	Non-Executive Independent
							Andhra Paper Limited	Non-Executive Independent
Gautam Panchal	Non-Executive, Independent	6	Yes	1	0	2	SW Investments Limited	Non-Executive Independent
Lalitha Cheripalli	Non-Executive, Non Independent	6	Yes	3	-	-	SW Investments Limited	Whole-time Director
Anand Shroff*	Whole-time Director	4	Yes	-	-	2	-	-

The Number of Directorships in other public limited companies includes Private Limited Companies which are subsidiaries of public limited companies.

\$ Includes only Audit Committee and Stakeholders' Relationship Committee of public limited companies (whether listed or not).

* Mr. Anand Shroff was appointed as Whole-time Director of the Company effective from June 13, 2019.

There are no inter-se relationships between the Board members. Non-Executive Directors do not hold any shares of the Company.

In terms of the provisions of the Act and Listing Regulations, the Directors submit necessary disclosures regarding the positions held by them on the Board and/or Committees of other Companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this report, none of the Directors:-

- hold Directorships in more than 10 (Ten) public Companies;
- hold Directorships in more than 7 (Seven) listed entities;
- is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees across all the public companies in which he/she is a Director;

The details of the familiarization programme of the Independent Directors are available on the website of the Company www.starteckfinance.com.

Code of Conduct

The Company has adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company ("the Code") which includes the duties of independent directors as laid down in the Companies Act. The Code is applicable to all the Board Members and Senior Management of the Company. The Code is available on the Company's website at www.starteckfinance.com/codes-or-policies.html.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review and a declaration to that effect forms a part of this Annual Report.

Core skills and expertise of directors

As stipulated under Schedule V to the Listing Regulations, the skills / expertise / competence of Board members are provided below:

Name of Director	Designation	Skills/ expertise/ competence
Anand Shroff	Whole Time Director	He has over 18 years of experience in providing strategic advisory to top management team with respect to corporate finance, risk management, cash optimization, business expansions, risk policies and procedures development & fund sourcing and capital restructuring. He has been engaged in Debt Fund raising, domestically and internationally, and Equity Fund Raising.
Sudarshan Somani	Non-Executive Independent Director	He has been involved with international commodity trading since the past 30 odd years. He has dealt in both soft & hard commodities specializing in non-ferrous metals & ores, agricultural products and waste papers. He has a good domain knowledge of dealing in International Terminal markets such as the London Metal Exchange.
Gautam Panchal	Non-Executive Independent Director	He is an independent lawyer having over 15 years of experience in various fields of law including Corporate Law, Consumer Protection, Criminal Defense, Cyber Crime and IPR.
Sandhya Malhotra	Non-Executive Independent Director	She has 15 years of experience of Corporate Law and Corporate Governance, and also acts as consultant for CSR activities, providing guidance on legal provisions of CSR.
Pankaj Jain	Non-Executive - Non Independent Director	He has an experience of more than 25 years in the field of Finance, Equity, Derivatives, and Commodities & Debt Market along with experience of dealing with large number of Banking and Institutional channels working in the Capital Market.
Lalitha Cheripalli	Non-Executive - Non Independent Director	She has over a decade of experience in accounts, treasury, taxation and finance.

COMMITTEES OF THE BOARD

The Board has constituted the Committees of the Board with specific terms of reference as per the requirements of the Listing Regulations and the Act and they make specific recommendations to the Board on matters within their areas of purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required. The Board accepted all recommendations of the Committees of the Board which were mandatorily required, during the financial year under review.

AUDIT COMMITTEE

The Company has a qualified and Independent Audit Committee which has been formed in alignment with provisions of Regulation 18 of the Listing Regulations and Section 177 of the Act. The Audit Committee comprises of three Non-Executive Directors having requisite accounting and financial management expertise. The Company Secretary officiates as the Secretary of the Committee.

During the financial year under review, five meetings of the Audit Committee were held i.e. on May 30, 2019, August 12, 2019, August 26, 2019, November 14, 2019 and February 14, 2020 and the gap between two meetings did not exceed one hundred and twenty days. The Committee is headed by Mr. Sudarshan Somani, Non-Executive Independent Director.

The Chairman of the Audit Committee was present at the Company's AGM held on September 26, 2019.

The composition and attendance of the members of the Audit Committee during the year ended March 31, 2020 is as follows:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Sudarshan Somani	Non- Executive, Independent	Chairman	5	5
Gautam Panchal	Non- Executive, Independent	Member	5	5
Lalitha Cheripalli*	Non- Executive, Non- Independent	Member	2	2
Anand Shroff**	Whole-time Director	Member	3	3

* Ms. Lalitha Cheripalli ceased to be a member of the Audit Committee w.e.f 12th August, 2019

** Mr. Anand Shroff was appointed as a member of Audit Committee w.e.f 12th August, 2019

Terms of Reference of Audit Committee:

The terms of reference of the Audit Committee cover the areas mentioned under Part C of Schedule II of the Listing Regulations as well as Section 177 of the Act. The role of the Audit Committee includes among others internal financial controls, risk management policies and processes, recommendation for appointment, remuneration and terms of appointment of auditors, reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval, and approval or any subsequent modification of transactions of the Company with related parties.

NOMINATION AND REMUNERATION COMMITTEE:

The composition of Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

During the Financial Year under review, the Nomination and Remuneration Committee meetings was held on May 30, 2019, June 13, 2019 and November 14, 2019. The necessary quorum was present for all the meetings. The Committee is headed by Mr. Sudarshan Somani, Non-Executive Independent Director.

The Chairman of the Nomination and Remuneration Committee was present during the Company's AGM held on September 26, 2019.

The composition of the members of the Nomination and Remuneration Committee during the year ended March 31, 2020 is as follows:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Sudarshan Somani	Non- Executive, Independent	Chairman	3	3
Gautam Panchal	Non- Executive, Independent	Member	3	3
Lalitha Cheripalli	Non- Executive, Non- Independent	Member	3	3

Terms of Reference of Nomination and Remuneration Committee:

The purpose of this committee of the Board of Directors shall be to discharge the Board's responsibilities related to nomination and remuneration of the Company's executive / non-executive directors. The Nomination and Remuneration Committee assists in formulating criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifies the persons who are qualified to become Directors, and who may be appointed in senior management and recommend to the Board their appointment and removal.

Performance evaluation criteria for Independent Directors:

The performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated. The performance evaluation indicators includes participation and contribution by a director, monitoring the corporate governance practices, addressing business challenges and risks, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of judgments.

Remuneration Policy:

The Nomination and Remuneration Committee oversees the remuneration to be provided to the Directors and Senior Managerial Personnel of the Company. The remuneration to be paid to the Executive, Non-Executive and Independent Directors are determined in accordance with the provisions of the Act and the Listing Regulations. The policy, inter alia, provides the (a) criteria for determining qualifications, positive attributes and independence of directors and (b) policy on remuneration for directors, key managerial personnel and other employees. The policy is directed towards a compensation philosophy and structure that will attract, retain and motivate talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The NRC has formulated a policy on remuneration under the provisions of Section 178(3) of the Act and the same is uploaded on the website of the Company at www.starteckfinance.com/codes-or-policies.html

Details of Remuneration paid to Directors for the Financial Year 2019-20:

(₹ in Lakhs)

Name of Director	Category	Sitting Fees	Salary	Total
Gautam Panchal	Non- Executive, Independent	0.30	-	0.30
Sudarshan Somani	Non- Executive, Independent	0.30	-	0.30
Lalitha Cheripalli	Non- Executive, Non- Independent	-	1.14	1.14
Anand Shroff	Whole-time Director	-	55.00	55.00

No Commission was paid to Independent Directors during the Financial Year 2019-20.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

STAKEHOLDERS' RELATIONSHIP COMMITTEE**Constitution of Stakeholders' Relationship Committee and its functions:**

The Stakeholders' Relationship Committee looks into shareholders' and investors' grievances. The Committee is headed by Mr. Gautam Panchal, Non-Executive Independent Director. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with section 178 of the Act.

During the financial year under review, four meetings of the Stakeholders' Relationship Committee were held i.e. on May 30, 2019, August 12, 2019, November 14, 2019 and February 14, 2020. The necessary quorum was present for all the meetings.

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting (AGM) held on September 26, 2019 to answer the queries of security holders.

The composition and attendance of the members of the Stakeholders' Relationship Committee during the year ended March 31, 2020 is as follows:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Gautam Panchal	Non- Executive, Independent	Chairman	4	4
Sudarshan Somani	Non- Executive, Independent	Member	4	4
Lalitha Cheripalli*	Non- Executive, Non- Independent	Member	2	2
Anand Shroff**	Whole-time Director	Member	2	2

* Ms. Lalitha Cheripalli ceased to be a member of the Committee w.e.f 12th August, 2019.

** Mr. Anand Shroff was appointed as the member of the Committee w.e.f 12th August, 2019.

Terms of Reference of Stakeholders' Relationship Committee:

This Committee assists the Board and the Company in maintaining healthy relationships with all stakeholders. It shall consider and resolve grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Details pertaining to the number of complaints received and responded and status thereof during the financial year 2019-20 are given below:

No. of complaints pending as on April 1, 2019	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending as on March 31, 2020
Nil	Nil	Nil	Nil

Name, Designation and Address of the Compliance Officer:

Ms. Shreya Shetty

Company Secretary
Starteck Finance Limited
5th Floor, Sunteck Centre,
37-40 Subhash Road,
Vile Parle (East),
Mumbai- 400 057
Tel no.:91 22 4287 7800

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Meeting of the CSR Committee was held on May 30, 2019 during the year under review. The necessary quorum was present for the meeting. The Committee is headed by Mr. Gautam Panchal, Non-Executive Independent Director.

The composition and attendance of the members of the CSR Committee during the year ended March 31, 2020 is as follows:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Gautam Panchal	Non- Executive, Independent	Chairman	1	1
Sudarshan Somani	Non- Executive, Independent	Member	1	1
Lalitha Cheripalli*	Non- Executive, Non- Independent	Member	1	1
Anand Shroff**	Whole-time Director	Member	0	0

* Ms. Lalitha Cheripalli ceased to be a member of the Committee w.e.f 12th August, 2019.

** Mr. Anand Shroff was appointed as the Member of the Committee w.e.f 12th August, 2019

Role of CSR Committee:

The role of the CSR Committee, inter alia, includes the following:

1. To recommend to the Board CSR modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities in a Financial Year;
2. To monitor the Corporate Social Responsibility Policy from time to time;
3. To identify the projects to be undertaken by the Company for CSR;
4. To ensure compliance of CSR Policy;
5. Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of the Company.

INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the disclosures received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in Section 149 of the Act and the Listing Regulations and are independent of the Management.

None of the Independent Directors have resigned before the expiry of the tenure.

Familiarisation programmes for Independent Directors

With a view to familiarising the Independent Directors with the Company's operations, as required under the Listing Regulations, the Company has held programmes for Independent Directors for familiarising them with the Company, industry, business model of the Company, their roles, rights and responsibilities, etc., throughout the year and on a continuing basis. Details of such familiarisation programmes are placed on the following link on the Company's website www.starteckfinance.com/Downloads/familiarization-programme-of-IDs.pdf

Pursuant to the Act and the Listing Regulations, the Independent Directors shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, Independent Directors of the Company met on February 14, 2020 to discuss and review:

- o report on performance evaluation for the year 2019-20 of the Board;
- o performance of non-independent directors and the Board as a whole;
- o performance of the Chairperson of the Company, taking into account the views of executive director and non-executive directors; and
- o the quantity, quality and timely flow of information between the Management and the Board, and found it to be in line with the expectations.

All the Independent Directors were present at the Meeting.

GENERAL BODY MEETINGS

i. Annual General Meetings (AGM):

Date	Venue	Time	No. of Special Resolution Passed
26 th September, 2019	Hotel Planet Residency, Sapphire Hall, Subhash Road, Adjacent to Garware House, Vile Parle (East), Mumbai 400057	11.30 am	None
26 th September, 2018	Sunteck Centre, 37-40, Subhash Road, Vile Parle (East), Mumbai - 400057	5.00 pm	1 [#]
26 th September, 2017	Sunteck Centre, 37-40, Subhash Road, Vile Parle (East), Mumbai - 400057	11.30.am	None

Approval for change of name of the Company

ii. Extra-Ordinary General Meetings and Postal Ballot:

During the year, no Extraordinary General Meeting was convened nor any approval of the shareholders obtained through Postal Ballot.

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

MEANS OF COMMUNICATION

The Company's quarterly/ half yearly/ annual financial results are sent to the Stock Exchange and are published in Free Press Journal and Navshakti. The financial results are also made available on Company's website at www.starteckfinance.com/QUARTERLY-RESULTS.html

All financial and other vital news releases and documents under the Listing Regulations are also communicated to the Stock Exchange, besides being placed on the Company's website.

GENERAL SHAREHOLDER INFORMATION

CIN No.	L51900MH1985PLC037039		
Registered Office Address	Starteck Finance Limited 5 th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057 Tel No.: 91 22 4287 7800		
AGM: Date and Time	Thursday, 24 th September, 2020 at 3.00 P.M.		
Financial Year	The financial year of the Company starts on April 1 and ends on 31 st March of next year. For the financial year ended 31 st March, 2020, the financial results were announced		
	Accounting year	April to March	
	Financial reporting for the quarter ending June 30, 2019	August 12, 2019	
	Financial reporting for the half year ending September 30, 2019	November 14, 2019	
	Financial reporting for the quarter ending December 31, 2019	February 14, 2020	
	Financial reporting for the year ending March 31, 2020	May 23, 2020	

Date of Book Closure	Friday, September 18, 2020 to Thursday, September 24, 2020
Dividend Payment date	If declared by the Shareholders in the Annual General Meeting, the same will be paid within 30 days of declaration of Dividend.
Listing Details	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Annual Listing Fees for the Financial Year 2019-20 has been paid to BSE Ltd.
Stock Code	BSE : 512381 ISIN: INE992I01013
Registrar and Transfer Agent	Adroit Corporate Services Pvt.Ltd. 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059
Share Transfer System	The share transfers which are received in physical form are processed by Registrar and Share Transfer Agent viz. Adroit Corporate Services Pvt. Ltd. and share certificates are dispatched within the time limit prescribed under the Listing Regulations.
Dematerialisation of shares and liquidity	As of March 31, 2020, 98,87,730 Equity Shares of the Company (99.77%) are held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited. Trading in shares of your Company is permitted only in the dematerialised form. Shares held in Demat mode in NSDL : 51.37% Shares held in Demat mode in CDSL : 48.40% Total : 99.77%
Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date and likely impact on equity	As on March 31, 2020, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.
Credit Ratings	The Company was assigned credit rating of BWR A indicating stable outlook by Brickwork Ratings (BWR) for its secured Non-Convertible Debentures (proposed to be issued).
Commodity Price risk/Foreign Exchange Risk and Hedging:	The Company does not have any exposure to commodity price risks and foreign exchange risk.
Plant Locations	The Company is engaged in financial services business and does not have any plant.
Address for correspondence	Investors and members can correspond with the Company or the share transfer agent at the following address: Registered Office: Stardeck Finance Limited 5 th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057 Tel No.: 91 22 4287 7800 Email ID: cosec@stardeckfinance.com Website: www.stardeckfinance.com Registrar and Share Transfer Agents: Adroit Corporate Services Private Limited 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059 Tel No.: 91 22- 42270400 Email ID: info@adroitcorporate.com Website: www.adroitcorporate.com

Market Price Data:

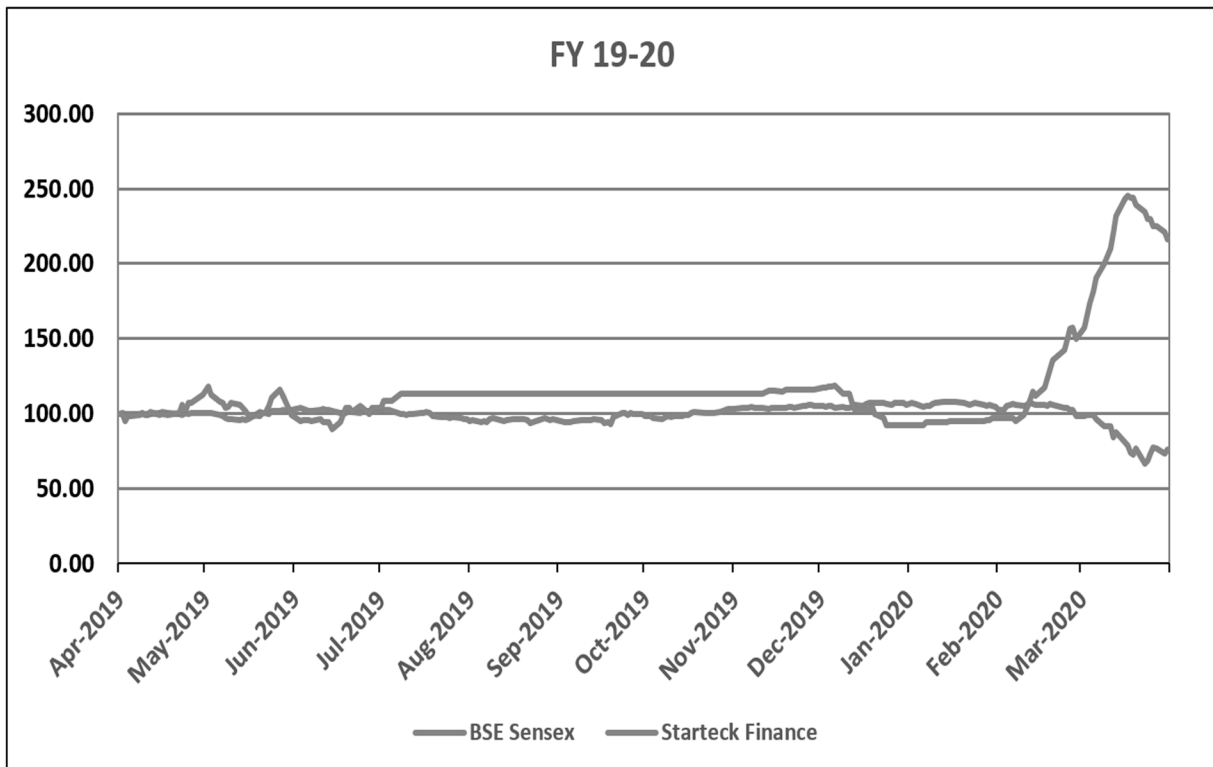
Monthly high and low of the equity shares of the Company (vis-à-vis BSE Sensex) for the Financial Year 2019 - 20:

Month	BSE		S&P BSE Sensex Index	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2019	26.30	22.20	39,487.45	38,460.25
May 2019	27.60	22.60	40,124.96	36,956.10
June 2019	25.40	20.75	40,312.07	38,870.96
July 2019	26.50	25.40	40,032.41	37,128.26
August 2019	-	-	37,807.55	36,102.35

September 2019	-	-	39,441.12	35,987.80
October 2019	26.55	26.40	40,392.22	37,415.83
November 2019	28.00	26.00	41,163.79	40,014.23
December 2019	27.75	21.60	41,809.96	40,135.37
January 2020	23.15	22.00	42,273.87	40,476.55
February 2020	38.40	22.10	41,709.30	38,219.97
March 2020	57.85	34.00	39,083.17	25,638.90

Stock Performance vs BSE Sensex:

Performance of the Company's Equity Shares on BSE Limited relative to the BSE Sensitive Index (S&P BSE Sensex) is graphically represented in the chart below:



Distribution of Shareholding as on March 31, 2020

Number of Shares (Range)	No. of Shareholders	Percentage of Total Shareholders	No. of Shares	Percentage of Total Capital
1- 500	227	70.50	18620	0.19
501-1000	10	3.11	9270	0.09
1001-2000	15	4.66	24028	0.24
2001-3000	6	1.86	16500	0.17
3001-4000	1	0.31	3500	0.04
4001-5000	2	0.62	9765	0.10
5001-10000	4	1.24	29414	0.30
10001 & Above	57	17.70	9799233	99.87
TOTAL	322	100.00	9910330	100

Shareholding pattern as on March 31, 2020:

Category of Shareholders	No. of Shareholders	No. of Shares Held	% of Shares Held
Promoter & Promoter group	13	6479765	65.38
Financial Institutions & Banks	-	-	-
Mutual Funds & UTI	-	-	-
Foreign Institutional Investors / Foreign Portfolio Investors	-	-	-
NRIs/OCBs	-	-	-
Bodies Corporate	17	984303	9.93
Clearing Members	1	3	0.00
Public	285	2446259	24.69
TOTAL	316	9910330	100.00

SUBSIDIARY COMPANIES

The Company has one unlisted material subsidiary viz., Starteck Housing Finance Private Limited whose income or net worth exceeds ten percent of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year as defined under the Listing Regulations.

The Company monitors the performance of its subsidiaries, interalia by following means:

- The Minutes of the Board Meetings of the Subsidiary Companies are noted at the Board Meetings of the Company.
- The financial statements, in particular, investments made by the Subsidiary Companies are reviewed by the Audit Committee from time to time.
- Details of significant transactions and arrangements entered into by Subsidiary Companies are regularly placed at the Board Meetings of the Company.

The Company has a policy for determining material subsidiaries which is disclosed on its website at the following web link www.starteckfinance.com/codes-or-policies.html

CEO/CFO CERTIFICATION

Certificate issued pursuant to the provisions of Regulation 17(8) of the Listing Regulations, is attached as part of this Annual Report.

SECRETARIAL AUDIT

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit Report in Form MR-3 for the financial year under review, as received from Veeraraghavan N., Practising Company Secretaries, is attached to the Board's Report.

OTHER DISCLOSURES:

i. Related Party Transactions

All Related Party Transactions (RPTs) which were entered into by the Company during the Financial Year under review were on arms' length basis and were in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013.

During the year 2019-20, as required under section 177 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, all RPTs were placed before the Audit Committee for approval.

Particulars of related party transactions are listed out under the notes to accounts forming part of this Annual Report. The policy on Related Party Transactions is available on your Company's website at www.starteckfinance.com/codes-or-policies.html.

ii. Non Compliances/Strictures/Penalties Imposed

During the last three years, there were no penalties or strictures imposed on the Company by SEBI, Stock Exchange or any statutory authority on any matter related to capital market.

iii. Whistle Blower Policy

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the Listing Regulations. The Company has revised the Whistle Blower policy to include cases of leakage or suspected leakage of unpublished price sensitive information (UPSI) in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The policy enables directors and employees to report to the Management genuine concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics and leakage or suspected leakage of unpublished price sensitive information. It also provides for adequate safeguards against victimization of employees who avail of the whistle blower mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

The Audit Committee reviews periodically the functioning of Whistle Blower mechanism. The Whistle Blower Policy of the Company is placed on the website of the Company www.starteckfinance.com/codes-or-policies.html. During the year, none of the employees have been denied access to the Audit Committee under this policy.

iv. Policy on Insider Trading:

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated Employees of the Company. The Company has formulated a code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company is in adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto.

There has been no instance of non-compliance of any requirement of Corporate Governance Report.

v. Details of utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, the Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

vi. Certificate from Practising Company Secretary

A certificate from Veeraghavan N., Practising Company Secretary to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI or Ministry of Corporate Affairs or any other statutory authority is attached as a part of this Report.

vii. Total fees paid to the Statutory Auditors and all entities in the network firm/ entities

The details of total fees for all the services paid by the Company and its subsidiaries on a consolidated basis to M/s. Lodha & Co., Chartered Accountants, Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditors are a part, are given below:

(₹ in Lakhs)

Particulars	FY 2019-20
Audit fees	1.50
Other services	-
Total	1.50

viii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the financial year under review, no complaints were received/ cases filed/ disposed or pending under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ix. Compliance with Corporate Governance requirements

The Company has complied with the requirements of Corporate Governance Report of Paragraphs (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) in the respective places in this Report.

The certificate from the Statutory Auditors of the Company confirming compliance with the requirements of Corporate Governance is attached as a part of this report.

■ **Compliance with Mandatory Requirements**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

■ **Compliance with Non- Mandatory Requirements**

The Company has also adopted the following non mandatory requirements to the extent mentioned below:

Unmodified Audit Opinion

For the Financial Year 2019-20, the Auditors have expressed an unmodified opinion on the Financial Statements of the Company.

x. **Management Discussion and Analysis**

The Management Discussion and Analysis report has been separately furnished in Annual Report and forms a part of the Annual Report.

For and on behalf of the Board of Directors

Anand Shroff
Director (DIN: 08480489)

Sudarshan Somani
Director (DIN: 00137568)

Gautam Panchal
Director (DIN: 07826634)

Lalitha Cheripalli
Director (DIN: 07026989)

Place: Mumbai
Date: 26th June, 2020

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT:

I hereby declare that all the Members of the Board and Senior Management Personnel of the Company have affirmed Compliance with the Code of Conduct for Board and Senior Management Personnel of the Company during the year ended March 31, 2020.

For and on behalf of the Board of Directors

Anand Shroff
Whole-time Director (DIN: 08480489)

Place: Mumbai
Date: 26th June, 2020

**Certificate under Regulation 34(3) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

Based on my scrutiny of the records, documents and information provided by STARTECK FINANCE LIMITED (the 'Company'), CIN: L51900MH1985PLC037039, having its registered office at 5th Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai - 400 057, for verification and disclosures and declarations given by the Directors to the Company under applicable statutes and also based on the verification of facts regarding the Board of Directors of the Company, available in the public domain, I hereby certify that the none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

Veeraraghavan N.
ACS No. 6911
CP No. 4334

Place: Mumbai

Date: June 26, 2020

INDEPENDENT AUDITORS' CERTIFICATE
ON CORPORATE GOVERNANCE

**TO THE MEMBERS OF
STARTECK FINANCE LIMITED
(FORMERLY NIVEDITA MERCANTILE AND FINANCING LIMITED)**

1. This certificate is issued in accordance with the terms of our engagement letter dated October 4, 2019.
2. This certificate contains details of compliance with the conditions of corporate governance by **STARTECK FINANCE LIMITED** (Formerly Nivedita Mercantile and Financing Limited) ('the Company') for the year ended 31st March 2020 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2020.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person

or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**For Lodha & Company
Chartered Accountants
Firm Registration No.: 301051E**

**Place: Mumbai
Date: 23rd May, 2020**

**R. P. Baradiya
Partner
Membership No. 44101
UDIN: 20044101AAAAD02744**

**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SECURITIES
AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

We hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2020 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) the significant changes, if any, in internal control over financial reporting during the year;
 - ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 26th June, 2020

Anand Shroff
Chief Financial Officer

Lalitha Cheripalli
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

The pace of the global economy remained sluggish for most of 2019 due to a downturn in manufacturing and rising trade and geopolitical tensions. However, after assessing i) signs of bottoming out for manufacturing and global trade, ii) accommodative monetary policies, iii) favourable news on US-China trade negotiations and iv) diminished fears of a no deal-Brexit, the IMF projected global growth at +3.3%YoY in 2020 in Jan'20 (vs. 2.9% in 2019). These hopes were nevertheless impaired with the outbreak of the COVID-19 pandemic. The necessary protection measures negatively impacted economic activity and compelled the IMF to revise its growth projection to -3.0% in 2020, worse than the 2008-09 crisis.

The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s. (Source: World Economic Outlook Update, June 2020)

INDIAN ECONOMY

Growth in India continued to slowdown in FY2020, akin to FY2019. According to the IMF, this was primarily due to domestic problems-i) sharper-than-expected slowdown in local demand and ii) stress in the NBFC sector. Consequently, the IMF downgraded India's growth forecast from 7.3%YoY in Apr'19 to 4.1% by Jan'20.

In addition, before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistical Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in December 2019, and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing. In a similar vein, the second advance estimates of national income for FY2020 released by the CSO on 28 February 2020 was substantially lower: GDP growth for FY2020 was pegged at 5% compared to 6.1% in FY2019; and growth in gross value added was estimated at 4.9% in FY2020 versus 6% in FY2019. Source: Government of India, Central Statistical Office (CSO).

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by The World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including restrictions on international and local travel, public gatherings and participation in physical meetings, as well as closure of non-essential services, universities, schools, stores, restaurants and other key service providers, with some countries imposing strict curfews.

In India, the Government of India initially announced a 21-day countrywide lockdown starting on March 25, 2020, which has been subject to successive extensions since then. These measures have led to a significant decline in economic activities.

The Covid-19 pandemic and consequent lockdown brought economic activity to a virtual standstill. Amidst the uncertainty, IMF expects the growth rate of Indian economy to plunge to 1.9% in FY21. In response to the ongoing crisis, the government and RBI announced several fiscal and monetary stimulus measures to revive the ailing economy. India's Finance Minister recently announced a financial stimulus package of 20-lakh-crore. This is a step in the right direction as it sets into motion the country's vision of a self-reliant India or Atmanirbhar Bharat. These much-awaited measures will give the Indian economy a boost, helping it get back into track with five key pillars of growth: Economy, Infrastructure, Technology Driven System, Vibrant Demography and Demand. Specifically for NBFCs, the recent announcement of Rs.45,000 crore Partial Guarantee Scheme 2.0 can be a game changer.

INDIAN FINANCIAL SERVICES INDUSTRY

India has a diversified financial sector undergoing rapid expansion with many new entities entering the market along with the existing financial services firms. The RBI's continued focus on financial inclusion has expanded the target market to semi-urban and rural areas. NBFCs, especially those catering to the urban and rural poor namely Non-Banking Financial Company, Micro Finance Institutions (NBFC-MFIs) and asset finance companies, have a complementary role in the financial inclusion agenda of the country.

Over the past few years, NBFCs have undergone a significant transformation and today they form an important component of India's financial system. Playing a critical role in the development of infrastructure, transport and employment generation, NBFCs are changing the business loan landscape in the country.

India has a huge proportion of un-banked and underbanked consumers and businesses. Hence, there is a lot of potential for NBFCs, which can still be tapped for future growth. The NBFCs and HFCs are being recognised as being vital for the growth of Indian economy. NBFCs are here to stay and play an important role in economic growth and financial inclusion. As India's economy grows, the requirement for credit will rise more than proportionately.

The Covid-19 pandemic has exacerbated the woes of non-banking financial companies (NBFCs). The decline in non-bank credit growth, which started in the second half of fiscal 2019, continued through fiscal 2020, accentuated first by economic slowdown and then - more vigorously - by the pandemic. While the impact of economic slowdown was expected to be gradual, providing time to build some kind of defence, the impact of the pandemic has been immediate and debilitating. The ramifications are being felt across the sector, though some segments have been impacted more severely than others.

The Reserve Bank of India (RBI) has allowed lenders to extend moratorium on loans up to August 31, temporarily mitigating the hardship of borrowers. However, in the absence of any such moratorium on non-banks' capital market borrowings, ensuring adequate liquidity to meet repayments coming up in the near term has become the primary challenge for most non-banks. Another challenge is to ensure asset quality remains under control, through steps such as maintaining close contact with borrowers and supporting them through this unprecedented crisis. It is clear that NBFCs will need to recalibrate their strategies in order to deal with changing business scenario post pandemic. Source: CRISIL NBFC Sector Report 2020

FINANCIAL PERFORMANCE

The Company's Loan Assets under Management is at Rs.107.87 crs in FY 2020 from Rs.130.56 crs in FY 2019. During the year under consideration your Company's total income including other income is Rs. 24.08 crs as compared to Rs.13.14 crs in the previous year. The Net Profit after tax is Rs. 3.88 crs against the profit of Rs.1.77 crs in the previous year.

To conclude, the coronavirus pandemic is the most serious challenge to banks and NBFCs in nearly a century as they will be coping with a long-term slowdown. For an Atmanirbhar Bharat or self-reliant India, a robust NBFC sector can act as a strong lever for economic growth. The sector not only plays a critical role in fueling consumption demand in sectors like auto, consumer durable and electronics but also lends to the ecosystem of micro entrepreneurs and financially under-served individuals. The Government's recent intervention in the sector will give a big boost to credit flow and generate much-needed consumer confidence in the market.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the company's objectives, estimates, expectations may be "forward-looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied due to several factors which are beyond the control of the management. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the company's operations but it is not exhaustive. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.

Independent Auditor's Report

**To,
The Members of
Starteck Finance Limited
(Formerly known as Nivedita Mercantile & Financing Limited)**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Starteck Finance Limited** (Formerly known as Nivedita Mercantile & Financing Limited) (the "Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

As more fully described in note 32 to assess the recoverability of certain assets, the Company has considered internal and external information up to the date of this report in respect of the current and estimated future global economic indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our report is not modified in respect of this matter.

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, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1.	<p>Accuracy in identification and categorisation of receivables from financing activities as performing and non-performing assets and in ensuring appropriate asset classification, existence of security, income recognition, provisioning/ write off thereof and completeness of disclosure including compliance in accordance with the applicable extant guidelines issued by Reserve Bank of India (RBI).</p> <p>Measurement of individual borrowers' provisions including</p> <p>Covid-19 impact assessment of multiple economic scenarios.</p>	<p>We have assessed the systems and processes laid down by the Company to appropriately identify and classify the receivables from financing activities including those in place to ensure correct classification, income recognition and provisioning/write off including of Non-performing assets as per applicable RBI guidelines. The audit approach included testing the existence and effectiveness of the control environment laid down by the management and conducting of detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute of Chartered Accountants of India. Agreements entered into regarding significant transactions including related to corporate loans have been examined to ensure compliance. We have also reviewed the reports generated from management information systems, reports issued by the internal/secretarial auditors. The impact of all significant external and internal events including those if any, subsequent to balance sheet date have been taken into consideration for the above purposes. Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.</p> <p>We performed an overall assessment of the ECL provision levels at each stage including Management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio,</p> <p>risk profile, credit risk Management practices and the macroeconomic environment.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility Statement and Management discussion and analysis (MD&A) (collectively referred to as "other 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

The Board of Directors are responsible for 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone financial statements.

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

The Board of Directors are 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 scepticism 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 control.
- Obtain an understanding of internal financial control 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Other Matters

Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose un-qualified audit report dated May 30, 2019 have been furnished to us. The differences arises from transition from previous GAAP to Ind AS have been derived from such audited financial statements.

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 said Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - e) On the basis of the 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 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.
 - g) 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**".
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our 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 financial statements - Refer note no 33 to the standalone financial statement;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. - 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 20044101AAAACQ4925

Place: Mumbai
Date: May 23, 2020

"Annexure A" to the Independent Auditor's Report - 31.03.2020

(Referred to in our Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i.** There are no fixed assets and therefore clause 3(i) of the order is not applicable.
- ii.** There is no inventory and therefore, clause 3(ii) of the order is not applicable.
- iii.** According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c) There is no overdue amount remaining outstanding as at the year-end
- iv.** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v.** According to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, reporting under clause 3(v) of the Order is not applicable.
- vi.** Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- vii.** According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed dues, including Provident Fund, Family Pension Fund, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employee's State Insurance, Customs duty and Cess during the year.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Family Pension Fund, Income-tax, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
 - c. There were no dues in respect of Employee's State Insurance, Customs duty, Cess, Income-tax and Goods and Service Tax which have not been deposited as on 31st March, 2020 on account of disputes.
- viii.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of borrowings to financial institutions. The Company has not borrowed any amount from Bank or government and has not issued any debentures.
- ix.** The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the order is not applicable.
- x.** Based upon the audit procedures performed and the information and explanations given by the Management, we report that no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi.** The Company has not paid any managerial remuneration during the year except for sitting fees of directors and hence reporting under clause 3(xi) of the Order is not applicable.
- xii.** In our opinion, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

- xiii.** According to the information and explanations given to us all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv.** During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv.** In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
- xvi.** The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. - 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 20044101AAAACQ4925

Place: Mumbai
Date: May 23, 2020

"Annexure B" to the Independent Auditor's Report – 31.03.2020

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 **Stardeck Finance Limited** (formerly known as Nivedita Mercantile and Financing 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 **LODHA & COMPANY**

Chartered Accountants

Firm registration No. - 301051E

R. P. Baradiya

Partner

Membership No. 44101

UDIN: 20044101AAAACQ4925

Place: Mumbai

Date: May 23, 2020

STARTECK FINANCE LIMITED				
BALANCE SHEET AS AT 31ST MARCH 2020				
(Rs in Lakhs)				
Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
Financial assets				
(a) Cash and cash equivalents	2	502.16	47.58	6.46
(b) Bank balances other than (a) above	3	18.04	18.04	18.04
(c) Receivable				
- Other Receivable	4	126.98	125.75	125.53
(d) Loans	5	10,787.18	13,057.07	13,212.53
(e) Investments	6	8,424.32	7,344.12	6,636.35
(f) Other Financial Asset	7	35.39	78.08	34.04
Non Financial assets				
(a) Current tax assets (net)		460.71	247.32	211.68
(b) Other Non Financial Asset	8	3.45	22.68	25.79
Total Assets				
		20,358.24	20,940.65	20,270.42
EQUITY AND LIABILITIES				
Financial Liabilities				
(a) Payable				
- Other Payable				
- total outstanding dues of creditors other than micro enterprises and small enterprises	9	13.35	4.60	5.34
(b) Borrowings	10	8,841.78	9,120.73	9,085.65
(c) Other Financial Liabilities	11	48.16	61.44	63.24
Non Financial Liabilities				
(a) Provisions	12	674.78	1,086.47	730.22
(b) Other Non Financial Liabilities	13	17.07	11.89	4.76
EQUITY				
Equity share capital	14	991.03	991.03	991.03
Other equity	15	9,772.06	9,664.48	9,390.18
Total Equity and Liabilities				
		20,358.24	20,940.65	20,270.42
Significant accounting policies				
For Lodha & Company		For an on behalf of the Board of Directors		
Chartered Accountants				
Firm Registration No. 301051E				
 R. P. Baradiya		Anand Shroff		Sudarshan Somani
Partner		Director (DIN: 08480489)		Director (DIN: 00137568)
Membership No. 44101				
 Place : Mumbai		Gautam Panchal		Lalitha Cheripalli
Dated: 23rd May, 2020		Director (DIN: 07826634)		Director (DIN: 07026989)

STARTECK FINANCE LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020			
(Rs in Lakhs)			
Particulars	Notes	Year ended 31st March, 2020	Year ended 31st March, 2019
INCOME			
Revenue from operations			
Interest Income	16	1,405.89	1,433.31
Dividend Income	17	6.98	8.86
Fees and Commission Income	18	1,383.38	75.00
Total Revenue from operation (I)		2,796.25	1,517.17
Other income (II)	19	-	9.65
Total Income (I+II)		2,796.25	1,526.82
EXPENSES			
Finance Cost	20	845.31	860.55
Employee benefits expense	21	68.32	20.76
Other expenses	22	1,494.01	432.32
Total Expenses		2,407.65	1,313.63
Profit before tax		388.60	213.19
Tax expense :			
Current tax		-	36.85
Short / (excess) taxation of earlier years		-	(1.12)
Profit for the year		388.60	177.46
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Equity Instruments through other comprehensive income		(281.02)	96.84
Total Comprehensive Income for the year		107.59	274.30
Earnings per equity share of face value Rs. 10 each			
Basic & Diluted		3.92	1.79
Significant accounting policies			
The accompanying notes are an integral part of these standalone financial statements			
For Lodha & Company		For an on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 301051E			
R. P. Baradiya	Anand Shroff	Sudarshan Somani	
Partner	Director (DIN: 08480489)	Director (DIN: 00137568)	
Membership No. 44101			
Place : Mumbai	Gautam Panchal	Lalitha Cheripalli	
Dated: 23rd May, 2020	Director (DIN: 07826634)	Director (DIN: 07026989)	

STARTECK FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in lakhs)

A. Equity Share Capital	No of Shares	Amount
As at 1st April, 2018	99,10,330	991.03
Changes in equity share capital during 2018-19	-	-
As at 31st March, 2019	99,10,330	991.03
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	99,10,330	991.03

B. Other Equity (Rs. in lakhs)

Particulars	Reserves and surplus			Other Comprehensive Income	Total
	Securities premium account	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Retained earnings	Equity instrument through other comprehensive income	
As at 1st April, 2018	8,048.66	440.36	784.15	117.00	9,390.18
Profit for the year	-	-	177.46	-	177.46
Other comprehensive income for the year	-	-	-	96.84	96.84
Total Comprehensive Income for the year	8,048.66	440.36	961.61	213.84	9,664.48
Transfer to Statutory Reserve	-	7.32	(7.32)	-	-
Balance as at 31st March, 2019	8,048.66	447.68	954.30	213.84	9,664.48
Profit for the year	-	-	388.60	-	388.60
Other comprehensive income for the year	-	-	-	(281.02)	(281.02)
Total comprehensive income for the year	8,048.66	447.68	1,342.90	(67.18)	9,772.06
Transfer to Statutory Reserve	-	78.00	(78.00)	-	-
Balance as at 31st March, 2020	8,048.66	525.68	1,264.90	(67.18)	9,772.06

The accompanying notes are an integral part of these standalone financial statements

For Lodha & Company
Chartered Accountants
Firm Registration No. 301051E

For an on behalf of the Board of Directors

R. P. Baradiya
Partner
Membership No. 44101

Anand Shroff
Director (DIN: 08480489)

Sudarshan Somani
Director (DIN: 00137568)

Place : Mumbai
Dated: 23rd May, 2020

Gautam Panchal
Director (DIN: 07826634)

Lalitha Cheripalli
Director (DIN: 07026989)

STARTECK FINANCE LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020				
				Rs in Lakh
	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
Cash Flow from Operating Activities				
Profit before tax as per Statement of Profit and Loss		388.60		213.19
Adjusted for:				
Gain/ Loss on amortisation	(178.58)		(164.16)	
Provision for standard & sub- standard assets	(411.69)		356.25	
Dividend Income	(6.98)	(597.26)	(8.86)	183.23
Operating Profit before Working Capital Changes		(208.66)		396.43
Adjusted for:				
(Increase)/Decrease in Loan	2,269.90		155.45	
(Increase)/Decrease in Other Receivables	(152.70)		(76.80)	
Increase/(Decrease) in Borrowings	(278.95)		35.08	
Increase/(Decrease) in Others Liabilities & Provisions	0.65	1,838.90	4.59	118.32
Cash Generated From Operations		1,630.24		514.75
Less: Income Tax Paid		-		35.73
Cash Inflow Before Prior Period Adjustments		1,630.24		479.02
Less : Prior Period Adjustment		-		-
Net Cash from / (used in) Operating Activities (A)		1,630.24		479.02
Cash Flow from Investing Activities				
Dividend Income	6.98		8.86	
Sale of Investments	217.53		85.37	
Purchase of Investments	(1,400.16)	(1,175.65)	(532.14)	(437.91)
Net Cash from / (used in) Investing Activities (B)		(1,175.65)		(437.91)
Cash Flow from Financing Activities		-		
Net Cash from / (used in) Financing Activities (C)		-		-
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		454.59		41.11
Cash and Cash Equivalents - Opening Balance		47.58		6.46
Cash and Cash Equivalents - Closing Balance		502.16		47.58
Note:				
Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.				
For Lodha & Company		For an on behalf of the Board of Directors		
Chartered Accountants				
Firm Registration No. 301051E				
R. P. Baradiya		Anand Shroff	Sudarshan Somani	
Partner		Director (DIN: 08480489)	Director (DIN: 00137568)	
Membership No. 44101				
Place : Mumbai		Gautam Panchal	Lalitha Cheripalli	
Dated: 23rd May, 2020		Director (DIN: 07826634)	Director (DIN: 07026989)	

STARTECK FINANCE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENT

1.1 Corporate Information and Basis of preparation

Stardeck Finance Limited (the "Company") is a listed public company having its registered office at 5th Floor, Sunteck Center, Vile Parle East Mumbai -400 057. The Company currently operates as a Non-Deposit taking, Non-Systemically Important ("ND-NSI") registered with the RBI vide certificate no. 13.00758 dated 20th April, 1998

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Master Direction - Non-Banking Financial Company -Non Systemically Important Non-Deposit taking Company Directions issued by RBI.

The Company's financial statements up to and for the year ended March 31, 2019 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable including the NBFC Master Directions.

The financial statements for the year ended March 31, 2020 are the first financial statements of the Company prepared under Ind AS. The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e April 01, 2018. Some of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its policies applied under Indian GAAP as at March 31, 2018 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at April 01, 2018 as required by Ind-AS 101. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 30.

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

Fair value is the price that would be received to sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as value in use in Impairment of Assets.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Based on the nature of products / activities of the Company entities and the normal time between acquisition of assets and their realisation 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.

1.2 Significant accounting Judgements and Estimate

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

Recognition and measurement of provisions and contingencies: assumptions about the likelihood and magnitude of an outflow of resources

Measurement of expected credit losses

Impairment test: assumptions underlying recoverable amounts

Judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

1.3 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.

Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR)

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

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 expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

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

Fee and commission income and expense 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, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees

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 or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract

1.4 Property, plant and equipment (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2018. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

There is no fixed assets held by company as on 31st March, 2020.

1.5 Financial instruments:

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised 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 costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously

(A) Financial Asset

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(iii) Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are payments of principal and interest on the principal outstanding

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(B) Financial liabilities

Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

1.6 Write off :

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is 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. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

1.7 Taxation

Current Tax :

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

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 computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. 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 asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.8 Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.9 Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

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

- obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received

Contingent liability is disclosed in case of:

- (i) 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
- (ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.10 Cash Flow Statement

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 operating receivables and payables transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
2	Cash and cash equivalents			
	Balances with Banks			
	In current accounts	500.63	45.42	5.87
	Cash on hand	1.53	2.16	0.59
	Total cash and cash equivalents	502.16	47.58	6.46
3	Bank balances other than (note no. 2) above			
	Earmarked bank balances Unpaid dividend account	18.04	18.04	18.04
	Total Bank balances other than (note no. 2) above	18.04	18.04	18.04
4	Receivable			
	Other Receivable			
	Interest accrued	126.98	125.75	125.53
	Total Receivable	126.98	125.75	125.53
5	Loans			
	Secured, considered good			
	Home Loan	16.16	-	-
	Secured, considered good			
	Loan to Body corporates and others	495.06	-	-
	Unsecured, considered good			
	Loans to subsidiary	1,745.23	1,744.23	1,743.21
	Loans to employees	-	0.17	-
	Loan to Body corporates and others	8,533.82	11,312.68	11,469.31
	Gross Loans	10,790.27	13,057.07	13,212.53
	Less: Unamortization of processing fees	(3.09)	-	-
	Net Loans	10,787.18	13,057.07	13,212.53
5.1	Loans in India			
	Public Sector	-	-	-
	Other	10,790.27	13,057.07	13,212.53
	Gross Loan	10,790.27	13,057.07	13,212.53
	Less: Unamortization of processing fees	(3.09)	-	-
	Net Loans	10,787.18	13,057.07	13,212.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
6	Non-current investments			
6.1	Investment in subsidiaries and joint ventures			
	Investment in equity instruments (at cost)			
	Unquoted, fully paid up			
	Investment in subsidiaries Equity shares			
	V Can Exports Pvt Ltd	1.00	1.00	1.00
	10,000 (31st March 2019 10,000 31st March 2018 10,000) equity shares of Rs. 10 each fully paid up			
	Stardeck Housing Finance Private Limited	1,100.00	-	-
	1,10,00,000 (31st March 2019 NIL 31st March 2018 NIL) equity shares of Rs. 10 each fully paid up			
	Chitta Finlease Pvt Ltd	23.91	23.91	0.80
	1,000 (31st March 2019 1,000 31st March 2018 802) equity shares of Rs. 100 each fully paid up			
	Total Investment in subsidiaries Equity shares	1,124.91	24.91	1.80
6.2	Investments in Bonds and Debenture			
	Investments in Tax Free Bonds (Quoted)			
	Housing & Urban Development Corporation, 8.14%,25th October 2023	250.47	250.58	250.67
	25,000 (31st March 2019 25,000 31st March 2018 25,000) bonds of Rs. 1,000 each			
	Housing & Urban Development Corporation,8.39%,25th October 2023	49.89	49.86	49.82
	5,000 (31st March 2019 5,000 31st March 2018 5,000) bonds of Rs. 1,000 each			
	Housing & Urban Development Corporation,8.58%,13th January 2029	218.60	219.27	219.88
	21,000 (31st March 2019 21,000 March 2018 21,000) bonds of Rs. 1,000 each			
	India Infrastructure Finance Company Ltd,8.38%,12th November 2028	301.14	301.23	301.32
	30,000 (31st March 2019 30,000 31st March 2018 30,000) bonds of Rs. 1,000 each			
	India Infrastructure Finance Company Ltd,8.48% 22nd January 2029	208.74	209.42	210.05
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	India Infrastructure Finance Company Ltd 8.55% 27th March 2029	220.76	222.43	224.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	India Renewable Energy Development Agency Ltd,8.55%,13th March 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	Indian Railway Finance Corporation 8.00% 23rd February 2022	238.76	240.78	242.67
	23,449 (31st March 2019 23,449 31st March 2018 23,449) bonds of Rs. 1,000 each			
	Indian Railway Finance Corporation 8.40%,18th February 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	Indian Railway Finance Corporation 8.63%,26th March 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	National Highway Authority of India 8.20% 25th January 2022	75.58	76.28	76.93
	7,417 (31st March 2019 7,417 31st March 2018 7,417) bonds of Rs. 1,000 each			
	National Highway Authority of India 8.50%,05th February 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	National Housing Bank 8.63% 13th January 2029	72.20	72.20	72.20
	1,444 (31st March 2019 1,444 31st March 2018 1,444) bonds of Rs. 5,000 each			
	NHPC Ltd 8.54%,02nd November 2028	161.05	161.05	161.05
	16,105 (31st March 2019 16,105 31st March 2018 16,105) bonds of Rs. 1,000 each			
	NHPC Ltd 8.79%,02nd November 2028	51.92	52.07	52.21
	5,000 (31st March 2019 5,000 31st March 2018 5,000) bonds of Rs. 1,000 each			
	Power Finance Corporation 8.20% 01st February 2022	200.74	202.27	203.69
	19,758 (31st March 2019 19,758 31st March 2018 19,758) bonds of Rs. 1,000 each			
	Power Finance Corporation 8.54%,16th November 2028	291.50	291.50	291.50
	29,150 (31st March 2019 29,150 31st March 2018 29,150) bonds of Rs. 1,000 each			
	Power Finance Corporation 8.79%16th November 2028	43.82	43.85	43.90
	4,310 (31st March 2019 4,310 31st March 2018 4,310) bonds of Rs. 1,000 each			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rural Electrification Corporation Ltd 8.26% 24th September 2023	50.00	50.00	49.99
	5,000 (31st March 2019 5,000 31st March 2018 5,000) bonds of Rs. 1,000 each			
	Rural Electrification Corporation Ltd 8.63% 24th March 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	Rural Electrification Corporation Ltd 7.22 %,19th December 2022	301.73	302.24	302.72
	30,002 (31st March 2019 30,002 31st March 2018 30,002) bonds of Rs. 1,000 each			
	Debentures (Unquoted)			
	"Naksh Corporate Solutions Pvt Ltd 0.01% optionally convertible debentures"	2,174.49	1,987.81	1,816.07
	2,756 (31st March 2019 2,756 31st March 2018 2,756) debenture of Rs. 1,00,000 each			
	Total Investments in Bonds and Debenture	5,911.41	5,732.83	5,568.67
	- The tax free bonds book value of Rs 3,736.91 Lakhs are pledged to ICICI Bank Limited (Previous Year Rs 3,745.02 Lakhs were pledged to ICICI Bank Limited)			
6.3	Other investments			
	Investment in equity instruments (At fair value through other comprehensive income unless otherwise stated)			
	Quoted, fully paid up (At fair value through other comprehensive income unless otherwise stated)			
	Bharat Heavy Electricals Ltd	-	-	38.64
	NIL (31st March 2019 NIL 31st March 2018 57,500) share of Rs. 2 each			
	Care Ratings Ltd	4.94	14.84	-
	1,500 (31st March 2019 1,500 31st March 2018 NIL) share of Rs. 10 each			
	Cox & Kings (I) Ltd	0.08	19.58	31.92
	14,000 (31st March 2019 14,000 31st March 2018 14,000) share of Rs. 5 each			
	Indian Energy Exchange Ltd	5.49	90.65	-
	4,295 (31st March 2019 54,940 31st March 2018 NIL) share of Rs. 1 each			
	Tata Motors Ltd	3.55	8.71	-
	5,000 (31st March 2019 5,000 31st March 2018 NIL) share of Rs. 2 each			
	Tata Steel Ltd	17.53	33.87	-
	6,500 (31st March 2019 6,500 31st March 2018 NIL) share of Rs. 10 each			
	TV18 Broadcast Ltd	73.47	97.27	-
	4,74,000 (31st March 2019 2,74,000 31st March 2018 NIL) share of Rs. 2 each			
	Unity Infraprojects Ltd	0.03	0.05	0.34
	8,000 (31st March 2019 8,000 31st March 2018 8,000) share of Rs. 2 each			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Vedanta Ltd	12.95	36.89	-
	20,000 (31st March 2019 20,000 31st March 2018 NIL) share of Rs. 1 each			
	Welspun Corp Ltd	-	87.17	-
	NIL (31st March 2019 20,000 31st March 2018 NIL) share of Rs. 5 each			
	Welspun Enterprises Ltd	12.68	33.00	-
	31,000 (31st March 2019 31,000 31st March 2018 NIL) share of Rs. 5 each			
	Cox & Kings Financial Services Ltd	0.01	3.55	-
	4,667 (31st March 2019 4,667 31st March 2018 NIL) share of Rs. 5 each			
	Finolex Industries Ltd.	134.79	-	-
	34,500 (31st March 2019 NIL 31st March 2018 NIL) share of Rs. 5 each			
	Unquoted, fully paid up			
	Samhrutha Habitat Infrastructure Private Limited	244.12	206.10	199.00
	25,35,000 (31st March 2019 25,35,000 31st March 2018 25,35,000) shares of Rs 10 each			
	Eskay Infrastructure Development Pvt Ltd	873.14	949.51	795.98
	78,732 (31st March 2019 78,732 31st March 2018 78,732) shares of Rs 10 each			
	Investment in MUTUAL Fund (At fair value through other comprehensive income unless otherwise stated)			
	DSP Black Rock TIGER Fund	5.21	5.19	-
	5,441.97 (31st March 2019 5,441.97 31st March 2018 NIL) units			
	Total Other investments	1,387.99	1,586.37	1,065.88
	Total investments	8,424.32	7,344.12	6,636.35
	Break up of Investments			
	In India	8,424.32	7,344.12	6,636.35
	Outside India	-	-	-
		8,424.32	7,344.12	6,636.35
7	Other Financial assets			
	Other receivables	33.89	76.58	32.54
	Security deposits	1.50	1.50	1.50
	Total Other Financial assets	35.39	78.08	34.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
8	Other Non-Financial assets			
	Input Tax Credit	2.30	21.34	24.27
	Prepaid expenses	1.15	1.34	1.53
	Total Other Non-Financial assets	3.45	22.68	25.79
9	Trade payables			
	Trade payable - Micro and small enterprises*	-	-	-
	Trade payable - Other than micro and small enterprises	13.35	4.60	5.34
	Total trade payables	13.35	4.60	5.34
	Based on the information available as identified by the Company, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:			
	a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-
	b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day,	-	-	-
	c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-	-
	d) The amount of interest accrued and remaining unpaid during the accounting year.	-	-	-
	e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-
10	Borrowings			
	Secured - Term Loan			
	From Financial institutions	3,131.14	3,147.71	5,724.08
	Secured - Overdraft Facility			
	From Bank	4,648.80	2,589.52	-
	Unsecured			
	From Body Corporates	1,062.71	3,383.51	3,361.56
		8,842.64	9,120.73	9,085.65
	Less : Unamortised Ancillary cost of arranging the borrowings	(0.86)	-	-
	Total Borrowings	8,841.78	9,120.73	9,085.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Terms and Conditions for Secured Loan taken from Financial Institutions				
Indiabulls Housing Finance Ltd				
- The term loan is secured by way of mortgage of property situated at Nepean Sea Road which belongs to Naksh Corporate Solutions Pvt Ltd and Brown Trading Pvt Ltd through tri- parties agreement.				
- Tenure of the loan has been increased to (25.5-32.5) years from (25-30) years due to increase in rate of interest.				
- Rate of interest 13.25% p.a. (previous year 13.25% p.a.)				
Terms and Conditions for Secured Loan taken from Banks				
ICICI Bank Limited				
- The Bank overdraft of Rs.2,800.38 Lakhs (Previous Year Rs 2,589.52) is secured by way of pledge of tax free bonds and other securities.				
- The interest rate on Bank Overdraft of Rs.2,800.38 Lakhs (Previous Year Rs 2589.52) @ 7.95% (8.65%)				
Barclays Bank Plc				
- The Bank overdraft of Rs.1,848.42 Lakhs (Previous Year NIL) is secured by way of pledge of tax free bonds and other securities.				
- The interest rate on Bank Overdraft of Rs.1,848.42 Lakhs (Previous Year NIL) @ 7.75% (NIL)				
11	Other financial liabilities			
	Interest accrued	30.11	30.27	45.20
	Unpaid dividends	18.04	18.04	18.04
	Others Liabilities	-	13.13	-
	Total Other financial liabilities	48.16	61.44	63.24
12	Provisions			
	Impairment Loss allowance on loans	674.78	1,086.47	730.22
	Total provisions	674.78	1,086.47	730.22
13	Other Non financial liabilities			
	Statutory dues payables	17.07	11.89	4.76
	Total Other Non financial liabilities	17.07	11.89	4.76
14	Equity share capital			
	Authorised share capital			
	15,00,00,000 equity shares of Rs. 10 each	15,000.00	15,000.00	15,000.00
	(31st March 2019 15,00,00,000 31st March 2018 15,00,00,000)			
	Total authorised share capital	15,000.00	15,000.00	15,000.00
	Issued, subscribed and fully paid up			
	99,10,330 equity shares of Re. 10 each	991.03	991.03	991.03
	(31st March 2019 99,10,330 31st March 2018 99,10,330)			
	Total issued, subscribed and fully paid up share capital	991.03	991.03	991.03

(i) Reconciliation of equity share capital						
Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
At the beginning of the period	99,10,330	991.03	99,10,330	991.03	99,10,330	991.03
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the period	99,10,330	991.03	99,10,330	991.03	99,10,330	991.03

(ii) Terms and rights attached to equity shares

The Company has only one class of equity share having value of Rs 10 each with an entitlement of one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the annual general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
SW Capital Private Limited	9.79%	9,70,139	9.79%	9,70,139	9.79%	9,70,139
Eskay Infrastructure Development Private Limited	10.55%	10,45,700	10.55%	10,45,700	10.55%	10,45,700
Akrur Kamal Khetan	5.50%	5,45,400	5.50%	5,45,400	5.50%	5,45,400
Anupma Kamal Khetan	5.50%	5,45,400	5.50%	5,45,400	5.50%	5,45,400

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
15	Other equity			
	Reserves & surplus			
	- Securities premium account	8,048.66	8,048.66	8,048.66
	- Statutory Reserve Fund	525.68	447.68	440.36
	- Retained earnings	1,264.90	954.30	784.15
	Other comprehensive income			
	- Equity instrument through other comprehensive income	(67.18)	213.84	117.00
	Total other equity	9,772.06	9,664.48	9,390.18

Particulars		As at 31st March, 2020	As at 31st March, 2019
(i)	Securities premium reserve		
	Opening balance	8,048.66	8,048.66
	Addition during the year	-	-
	Closing balance	8,048.66	8,048.66
(ii)	Statutory Reserve		
	Opening balance	447.68	440.36
	Transferred from Retained Earning	78.00	7.32
	Closing balance	525.68	447.68
(iii)	Retained earnings		
	Opening balance	954.30	784.15
	Net profit for the year	388.60	177.46
	Transferred to Statutory Reserve	(78.00)	(7.32)
	Closing balance	1,264.90	954.30
(iv)	Other comprehensive income		
	- Equity instrument through other comprehensive income		
	Opening balance	213.84	117.00
	Income/(loss) for the year	(281.02)	96.84
	Closing balance	(67.18)	213.84

Nature & purpose of other equity and reserves :

(a) Securities premium account :

Securities premium reserve is used to record the premium on issue of financial securities such as equity shares, preference shares, compulsory convertible debentures. The reserve is utilised in accordance with the provision of the Act.

(b) Reserve u/s 45 IC of the Reserve Bank of India Act, 1934:

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

NOTES TO FINANCIAL STATEMENTS

Rs in Lakhs

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
16	Revenue from operations		
	Interest Income		
	Interest income	1,106.55	1,133.99
	Interest income on Investment	299.34	299.01
	Interest on income tax refund	-	0.30
	Total Interest Income	1,405.89	1,433.31
17	Dividend		
	Dividend received	6.98	8.86
	Total Dividend	6.98	8.86
18	Fees and Commission		
	Processing Fees & Advisory Services Fees	1,383.38	75.00
	Total Fees and Commission	1,383.38	75.00
19	Other income		
	Sundry Balance W/off	-	9.65
	Total other income	-	9.65
20	Finance Cost		
	Interest on Borrowing	605.84	677.00
	Interest on Bank Overdraft	236.81	183.55
	Other Borrowing Cost	2.66	-
	Total Finance Cost	845.31	860.55
21	Employee benefits expense		
	Salaries and wages	66.91	19.45
	Staff welfare expenses	1.41	1.31
	Total employee benefits expense	68.32	20.76
22	Other expenses		
	Annual, listing fees and other fees	3.95	3.91
	Business promotion	1.02	1.37
	Bad Debt Written off	1,476.26	-
	Demat charges	0.02	0.06
	Director sitting fees	0.60	0.35
	Insurance	0.19	0.19
	Legal and professional	403.17	50.69
	Miscellaneous expenses	4.10	4.10
	Payments to auditors	1.50	1.00
	Printing and stationery	0.27	0.10

NOTES TO FINANCIAL STATEMENTS

Rs in Lakhs

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	Provision for standard & sub- standard assets	(411.69)	356.25
	Rent, rates and taxes	4.23	4.00
	Travelling and conveyance	2.89	2.06
	CSR Activity	7.50	8.23
	Total other expenses	1,494.01	432.32

NOTES TO FINANCIAL STATEMENTS

23 Income tax expense

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Tax expense recognised in the Statement of Profit and Loss

Rs in Lakhs

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax on profits for the year	-	36.85
Adjustments for current tax of prior periods	-	(1.12)
Total current tax expense	-	35.73
Deferred tax charge/(credit)-P&L	-	-
Other Comprehensive Income-Remeasurments of net defined benefit plans	-	-
Total deferred tax expense/(benefit)	-	-
Income tax expense/(benefit)	-	35.73

Rs in Lakhs

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Enacted income tax rate in India applicable to the Company	25.168%	27.820%
Profit/(loss) before income tax expense	388.60	213.19
Current Tax Expense on Profit/(Loss) before tax expenses at enacted income tax rate in India	-	59.31
Tax effects of :		
Disallowabale expenses	-	(14.89)
Exempt income	-	(315.44)
Tax in respect of earlier years	-	(1.12)
Other items	-	307.87
Income tax expense	-	35.73

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year

NOTES TO FINANCIAL STATEMENTS

24 Related Party Disclosures

Name of the Related Parties :

Disclosure of related party transaction and balances for the year ended 31st March 2020

Relationship

List of related parties with whom transactions has been entered in the ordinary course of business

(A) Key Management Personal

Anand Shroff
Shreya Shetty
Lalitha Cheripalli

(B) Entity/ Person having Significant Influence

Eskay Infrastructure Development Private Limited
Glint Infraprojects Private Limited
Luton Finance and Investment Private Limited
Samagra Wealthmax Private Limited
Starteck Infraprojects Private Limited
Sunteck Realty Limited
SW1 Advisory Private Limited
SW Capital Private Limited
Niyamit Mercantile and Trading LLP
Kanaka & Associates
SW Investment Limited

(C) Subsidiaries

Chitta Finlease Private Limited
V Can Export Private Limited
Starteck Housing Finance Private Limited

Related Party Transactions

(Rs. in Lakhs)

	Particulars	KMP	Subsidiaries	Others
	(i) Transaction during the year			
	Rent Paid	-	-	3.72
	Salary Paid	58.09	-	-
	Interest Received	-	-	586.05
	Interest Paid	-	-	84.50
	Bad Debt	-	-	1,476.26
	Brokerage Paid	-	-	0.36
	Investment in Equity Sharges	-	1,100.00	-
	Loan and Advances given	-	1.00	1,763.11
	Loan Taken	-	-	106.47
	Other receivable	-	14.10	-
	(ii) Outstanding balance as at year end			
	Loan and Advances given	-	-	4,877.03
	Loan Taken	-	-	920.94
	Other receivable	-	14.10	-

NOTES TO FINANCIAL STATEMENTS

25 The Following additional information is disclosed in terms of RBI Circulars:

(Rs. in Lakhs)

	Particulars	Amount outstanding	Amount overdue
	Liabilities side :		
	(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(Other than falling within the meaning of public deposits)		
	(b) Deferred Credits		
	(c) Term Loans	3,131.14	-
	(d) Inter-corporate loans and borrowing	1,062.71	-
	(e) Commercial Paper		-
	(f) Other Loans (Bank Overdraft)	4,647.93	-
	Total	8,841.78	-
	Assets side :	Amount outstanding	Amount overdue
	(2) Break-up of Loans and Advances including bills receivables (Other than those included in (4) below) :		
	(a) Secured	508.13	-
	(b) Unsecured	10,279.04	-
	Total	10,787.18	-
	(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Leased assets including lease rentals under Sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	Total	-	-
	(4) Break-up of Investments :		
	Current Investments:		
	1. Quoted		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	3,736.92	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-

NOTES TO FINANCIAL STATEMENTS

Assets side :	Amount outstanding	Amount overdue
2. Unquoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
Long Term Investments :		
1. Quoted		
(i) Shares : (a) Equity	265.53	-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds	5.21	-
(iv) Government Securities		-
(v) Others (Please specify)		
2. Unquoted		
(i) Shares : (a) Equity	1,117.26	-
(b) Preference		-
(ii) Debentures and Bonds	2,174.49	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
Total	7,299.41	-
Category	Secured / Unsecured	Total
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :		
1. Related parties		
(a) Subsidiaries	1,745.23	1,745.23
(b) Companies in the same group	4,877.03	4,877.03
(c) Other related parties	-	-
2. Other than related parties	4,164.92	4,164.92
Total	10,787.18	10,787.18
Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
1. Related parties		
(a) Subsidiaries	1,124.91	1,124.91
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	6,174.49	6,174.49
Total	7,299.41	7,299.41

NOTES TO FINANCIAL STATEMENTS

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges are valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the use of discounted cash flow for fair value at amortised cost

Financial Assets and Liabilities as at 31st March, 2020	Routed through Profit and loss			Routed through OCI			Carried at amortised cost			Total		
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1		Level 3	Carrying amounts
Financial assets												
Investments												
- Equity instruments												
Quoted	-	-	-	265.53	-	-	-	265.53	-	-	-	265.53
Unquoted	-	-	-	-	1,117.26	-	-	1,117.26	-	-	-	1,117.26
- Bonds Debentures												
Quoted	-	3,736.92	-	3,736.92								3,736.92
Unquoted	-	2,174.49	-	2,174.49								2,174.49
Receivables	-	-	-	-	-	-	-	-	-	-	126.98	126.98
Loans to Subsidiary	-	-	-	-	-	-	-	-	-	-	1,745.23	1,745.23
Loans	-	-	-	-	-	-	-	-	-	-	9,041.95	9,041.95
Other advances and receivables ' - to others	-	-	-	-	-	-	-	-	-	-	35.39	35.39

Financial Assets and Liabilities as at 31st March, 2020	Routed through Profit and loss			Routed through OCI			Carried at amortised cost			Total		
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1		Level 3	Carrying amounts
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	502.16	502.16
Other bank balances	-	-	-	-	-	-	-	-	-	-	18.04	18.04
Total financial assets	-	5,911.41	-	5,911.41	265.53	1,117.26	-	1,382.79	-	-	11,469.76	18,763.96
Financial liabilities												
Loans from Financial Institutions	-	-	-	-	-	-	-	-	-	-	3,131.14	3,131.14
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	4,648.80	4,648.80
Loans from related parties and others	-	-	-	-	-	-	-	-	-	-	1,062.71	1,062.71
Trade payables	-	-	-	-	-	-	-	-	-	-	13.35	13.35
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Unpaid dividends	-	-	-	-	-	-	-	-	-	-	18.04	18.04
Interest accrued	-	-	-	-	-	-	-	-	-	-	30.11	30.11
Total financial liabilities	-	-	-	-	-	-	-	-	-	-	8,904.15	8,904.15

*Listed on BSE (However, not traded actively)

Financial Assets and Liabilities as at 31st March, 2019	Routed through Profit and loss			Routed through OCI			Carried at amortised cost			Total		
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1		Level 3	Carrying amounts
Financial assets												
Investments												
- Equity instruments												
Quoted	-	-	-	-	425.58	-	-	425.58	-	-	-	-
Unquoted	-	-	-	-	-	1,155.60	-	1,155.60	-	-	-	-
- Bonds Debentures												
Quoted	-	3,745.02	-	3,745.02	-	-	-	-	-	-	-	-
Unquoted	-	1,987.81	-	1,987.81	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	125.75	125.75
Loans to Subsidiary	-	-	-	-	-	-	-	-	-	-	1,744.23	1,744.23
Loans	-	-	-	-	-	-	-	-	-	-	11,312.85	11,312.85
Other advances and receivables '- to others	-	-	-	-	-	-	-	-	-	-	78.08	78.08
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	47.58	47.58
Other bank balances	-	-	-	-	-	-	-	-	-	-	18.04	18.04
Total financial assets	-	5,732.83	-	5,732.83	425.58	1,155.60	-	1,581.18	-	-	13,326.53	20,640.54
Financial liabilities												
Loans from Financial Institutions	-	-	-	-	-	-	-	-	-	-	3,147.71	3,147.71
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	2,589.52	2,589.52
Loans from related parties and others	-	-	-	-	-	-	-	-	-	-	3,383.51	3,383.51
Trade payables	-	-	-	-	-	-	-	-	-	-	4.60	4.60
Other Liabilities	-	-	-	-	-	-	-	-	-	-	13.13	13.13

Financial Assets and Liabilities as at 31st March, 2019	Routed through Profit and loss			Routed through OCI			Carried at amortised cost				Total	
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3		Carrying amounts
Unpaid dividends	-	-	-	-	-	-	-	-	-	-	18.04	18.04
Interest accrued	-	-	-	-	-	-	-	-	-	-	30.27	30.27
Total financial liabilities	-	-	-	-	-	-	-	-	-	-	9,186.78	9,186.78

*Listed on BSE (However, not traded actively)

Financial Assets and Liabilities as at 1st April, 2018	Routed through Profit and loss			Routed through OCI			Carried at amortised cost				Total	
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3		Carrying amounts
Financial assets												
Investments												
- Equity instruments												
Quoted	-	-	-	70.91	-	-	-	70.91	-	-	-	70.91
Unquoted	-	-	-	-	994.98	-	-	994.98	-	-	-	994.98
- Bonds Debentures												
Quoted	-	3,752.60	-	-	-	-	-	-	-	-	-	-
Unquoted	-	1,816.07	-	3,752.60	-	-	-	1,816.07	-	-	-	3,752.60
Receivables	-	-	-	-	-	-	-	-	-	125.53	-	125.53
Loans to Subsidiary	-	-	-	-	-	-	-	-	-	1,743.21	-	1,743.21
Loans	-	-	-	-	-	-	-	-	-	11,469.31	-	11,469.31
Other advances and receivables ' - to others	-	-	-	-	-	-	-	-	-	34.04	-	34.04

Financial Assets and Liabilities as at 1st April, 2018	Routed through Profit and loss			Routed through OCI			Carried at amortised cost			Total		
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1		Level 3	Carrying amounts
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	6.46	6.46
Other bank balances	-	-	-	-	-	-	-	-	-	-	18.04	18.04
Total financial assets	-	5,568.67	-	5,568.67	70.91	994.98	-	1,065.88	-	-	13,396.60	20,031.15
Financial liabilities												
Loans from Financial Institutions	-	-	-	-	-	-	-	-	-	-	5,724.08	5,724.08
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Loans from related parties and others	-	-	-	-	-	-	-	-	-	-	3,361.56	3,361.56
Trade payables	-	-	-	-	-	-	-	-	-	-	5.34	5.34
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Unpaid dividends	-	-	-	-	-	-	-	-	-	-	18.04	18.04
Interest accrued	-	-	-	-	-	-	-	-	-	-	45.20	45.20
Total financial liabilities	-	-	-	-	-	-	-	-	-	-	9,154.23	9,154.23
*Listed on BSE (However, not traded actively)												
Note: There are no financial assets/liabilities categorized under Level 2												

(iii) Fair value measurements using significant unobservable inputs (level 3)		(Rs. in lakhs)
Particulars	Unlisted equity securities	
As at 1st April, 2018	994.98	
Gains/(losses) recognised in other comprehensive income	160.63	
As at 31st March, 2019	1,155.60	
Gains/(losses) recognised in other comprehensive income	(38.35)	
As at 31st March, 2020	1,117.26	

(iv) Fair value of financial assets and liabilities measured at amortised cost							(Rs. in lakhs)
Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018		
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	
Financial assets							
Loans	10,787.18	10,787.18	13,057.07	13,057.07	13,212.53	13,212.53	
Total financial assets	10,787.18	10,787.18	13,057.07	13,057.07	13,212.53	13,212.53	
Financial liabilities							
Borrowings	8,842.64	8,842.64	9,120.73	9,120.73	9,085.65	9,085.65	
Total financial liabilities	8,842.64	8,842.64	9,120.73	9,120.73	9,085.65	9,085.65	

The carrying amounts of trade receivables, trade payables, other payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature. . This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

NOTES TO FINANCIAL STATEMENTS

27 Financial risk management

The Company's activities expose it to business risk, interest rate risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, the Company's risk management is carried out by a corporate treasury and corporate finance department under policies approved by the board of directors and top management. Company's treasury identifies, evaluates and mitigates financial risks in close cooperation with the Company's operating units. The board provides guidance for overall risk management, as well as policies covering specific areas.

(A) Credit Risk

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

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

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account receivables :

(Rs. in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
0-3 months	50.92	50.68	50.78
3-6 months	-	-	-
6 months to 12 months	75.28	74.57	74.50
beyond 12 months	-	-	-
Total	126.20	125.25	125.28

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the group's liquidity position (comprising the unused cash and bank balances along with liquid investments) on the basis of expected cash flows. This is generally carried out at Company level in accordance with practice and limits set by the group. These limits vary to take into account the liquidity of the market in which the Company operates.

(i) Maturities of financial liabilities							
The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:							
all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.							
							(Rs. in lakhs)
Contractual maturities of financial liabilities 31st March, 2020	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 year	Total	
Non-derivatives							
Bank overdraft	2,800.38	1,848.42				4,648.80	
Borrowings							
From Financial Institution	4.49	4.65	9.76	21.57	3,090.66	3,131.13	
From related parties and Others			1,062.71			1,062.71	
Trade payables*	13.35					13.35	
Unpaid Dividend	18.04					18.04	
Interest accrued but not due on borrowings	30.11					30.11	
Total non-derivative liabilities	2,866.38	1,853.07	1,072.47	21.57	3,090.66	8,904.15	
							(Rs. in lakhs)
Contractual maturities of financial liabilities 31st March, 2019	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 year	Total	
Non-derivatives							
Bank overdraft	2,589.52					2,589.52	
Borrowings:							
From Financial Institution	4.29	4.06	8.57	18.90	3,111.89	3,147.71	
From related parties and Others			3,383.51			3,383.51	
Trade payables*	4.60					4.60	
Unpaid Dividend	18.04					18.04	
Other Financial Liabilities	13.13					13.13	
Interest accrued but not due on borrowings	30.27					30.27	
Total non-derivative liabilities	2,659.85	4.06	3,392.08	18.90	3,111.89	9,186.78	

							(Rs. in lakhs)
Contractual maturities of financial liabilities 1st April, 2018	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 year	Total	
Non-derivatives							
Bank overdraft	-	-	-	-	-	-	-
Borrowings :							
From Financial Institution	2,525.72	26.54	55.54	121.77	2,994.51	5,724.08	
From related parties and Others			3,361.56			3,361.56	
Trade payables*	5.34					5.34	
Unpaid Dividend	18.04					18.04	
Interest accrued but not due on borrowings	45.20					45.20	
Total non-derivative liabilities	2,594.30	26.54	3,417.10	121.77	2,994.51	9,154.23	
* Trade payables includes retention money which is payable after one year from the completion of contract							
(C) Market risk							
(i) Price Risk							
- Exposure							
The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI .							
- Sensitivity							
The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.							
Impact of Profit before tax							
							(Rs. in lakhs)
	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018			
	BSE Sensex - Increase 5%	13.28	21.28	3.55			
	BSE Sensex- Decrease 5%	(13.28)	(21.28)	(3.55)			
(ii) Cash flow and fair value interest rate risk							
- Interest rate risk management:							
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.							

- Interest rate risk exposure:				
The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:				
(Rs. in lakhs)				
	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Variable rate borrowings	4,648.80	2,589.52	-
	Fixed rate borrowings	4,193.85	6,531.22	9,085.65
	Total borrowings	8,842.64	9,120.73	9,085.65
- Interest rate sensitivity				
A change of 50 bps in interest rates would have following Impact on profit before tax :				
(Rs. in lakhs)				
	Particulars	As at 31st March, 2020	As at 31st March, 2019	
	50 bp increase would decrease the profit before tax by*	44.21	45.60	
	50 bp decrease would Increase the profit before tax by*	(44.21)	(45.60)	
* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.				
28	Capital management			
	(a) Risk management			
	The Company's objectives when managing capital are to : 1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and 2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.			
	The gearing ratios were as follows:			
(Rs. in lakhs)				
	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Net debt (Total Debt - Cash & cash equivalent)	8,339.61	9,073.16	9,079.19
	Total equity	10,763.10	10,655.51	10,381.21
	Net debt to equity ratio	77%	85%	87%

(b) Dividends		(Rs. in lakhs)	
	Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity shares			
	Final dividend for the year ended 31st March, 2020 of Rs. 0.25 (31st March, 2019 - NIL other than promoters) per fully paid share for other than promoters	-	-
Dividends not recognised at the end of the reporting period			
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 0.25 per fully paid equity share for other than promoters (31st March, 2020 - Rs. 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	8.36	-
*Calculation is based on the no. of shares outstanding as at year end.			
29 Earnings per share			
	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Earning Per Share has been computed as under :		
	Profit for the year (Rs.in lakhs) (A)	388.60	177.46
	Weighted average number of equity shares (B)	99,10,330	99,10,330
	Add : Potential equity shares on account of share application money pending allotment	-	-
	Weighted average number of Equity shares adjusted for the effect of dilution (C)	99,10,330	99,10,330
	Basic EPS (Amount in Rs.) (A/B) (Face value of Rs. 10 per share)	3.92	1.79
	Diluted EPS (Amount in Rs.) (A/C) (Face value of Rs. 10 per share)	3.92	1.79
30 First-time adoption of IND AS			
Transition to IND AS			
These are the Company's first consolidated financial statements prepared in accordance with IND AS.			
The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March, 2020, the comparative information presented in these financial statements for the year ended 31st March, 2019 and in the preparation of an opening IND AS balance sheet at 1st April, 2018 (the Company's date of transition). In preparing its opening IND AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Company's Act 2013 (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to IND AS has affected the Company's financial position, financial performance set out in the following tables and notes.			
A. Exemptions and exceptions availed			
Set out below are the applicable IND AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND AS.			

NOTES TO FINANCIAL STATEMENTS

A.1	IND AS optional exemptions
A.1.1	Deemed cost
	IND AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by IND AS 38 Intangible Assets and investment property covered by IND AS 40 Investment Properties.
	Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.
A.1.2	Investments in subsidiaries, joint ventures and associates
	IND AS 101 provides an exemption that a first-time adopter which account for its investments in subsidiaries, joint ventures and associates in accordance with IND AS 27, 'Separate Financial Statements' shall measure those investments at one of the following amounts in its separate opening IND AS Balance Sheet: (a) cost determined in accordance with IND AS 27: or (b) deemed cost. The deemed cost of such an investment shall be its: (i) fair value at the entity's date of transition to IND ASs in its separate financial statements; or (ii) previous GAAP carrying amount at that date.
	Accordingly, the company has elected to apply this exemption and investment(i.e. in Equity Instruments) in subsidiaries, joint ventures and associates are carried at its previous GAAP carrying amount.
A.2	IND AS mandatory exceptions
A.2.1	Estimates
	An entity estimates in accordance with IND ASs at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
	IND AS estimates as at 1st April, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with IND AS at the date of transition as these were not required under previous GAAP:
	1. Investment in equity instruments carried at FVPL or FVOCI;
	2. Investment in debt instruments carried at FVPL
A.2.2	Classification and measurement of financial assets
	IND AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IND AS.
B.	Reconciliations between previous GAAP and IND AS
	IND AS 101 requires an entity to reconcile equity, total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to IND AS.

B.1 Reconciliation of Balance Sheet as at 1st April, 2018 and 31st March, 2019						
Particulars Regrouped Previous GAAP	As at 1st April, 2018			As at 31st March, 2019		
	IND AS djustments	IND AS	Regrouped Previous GAAP	IND AS djustments	IND AS	Regrouped Previous GAAP
ASSETS						
Financial Assets						
Cash and cash equivalents	6.46	-	6.46	47.58	-	47.58
Bank balances other than above	18.04	-	18.04	18.04	-	18.04
Receivable	125.53	-	125.53	125.75	-	125.75
Loans	13,212.53	-	13,212.53	13,057.07		13,057.07
Investments	7,479.43	(843.07)	6,636.35	7,949.49	(605.37)	7,344.12
Other Financial Asset	34.04	-	34.04	78.08	-	78.08
					-	
Non Financial Assets						
Current tsx (net)	211.68	-	211.68	247.32	-	247.32
Other Non Financial Assets	25.79		25.79	22.68		22.68
Total assets	21,113.50	(843.07)	20,270.42	21,546.02	(605.37)	20,940.65
EQUITY AND LIABILITIES						
Financial Liabilities						
Payables	5.34	-	5.34	4.60	-	4.60
Borrowings	9,085.65	-	9,085.65	9,120.73	-	9,120.73
Other Financial Liabilities	63.24	-	63.24	61.44	-	61.44
Non Financial Liabilities						
Provisions	730.22	-	730.22	1,086.47	-	1,086.47
Other Non Financial Liabilities	4.76	-	4.76	11.89	-	11.89
Equity						
Equity share capital	991.03	-	991.03	991.03	-	991.03
Other equity	10,233.25	(843.07)	9,390.18	10,269.85	(605.37)	9,664.48
Total equity and liabilities	21,113.50	(843.07)	20,270.42	21,546.02	(605.37)	20,940.65

B.1.1 Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2019				
Particulars	Year ended 31st March, 2019			
	"Regrouped Previous GAAP "	" IND AS adjustments "	IND AS	
Interest Income	1,268.85	164.16	1,433.01	
Other Income	63.06	(44.25)	18.81	
Fees and Commission Income	75.00	-	75.00	
Total income	1,406.91	119.91	1,526.82	
Expenses				
Finance costs	860.55	-	860.55	
Employee benefits expense	20.76	-	20.76	
Other expenses	453.27	(20.95)	432.32	
Total expenses	1,334.58	(20.95)	1,313.63	
Profit before tax	72.33	140.87	213.19	
Income tax expense	35.73	-	35.73	
Current tax	36.85	-	36.85	
Taxation of earlier years	(1.12)	-	(1.12)	
Profit for the year	36.60	140.87	177.46	
Other Comprehensive Income				
Equity Instruments through OCI	-	96.84	96.84	
Total Comprehensive Income	36.60	237.70	274.30	
B.2.1 Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP:				
Nature of Adjustments	Notes	Net Profit	Other Equity	
		As at 31st March, 2019	As at 31st March, 2019	As at 1st April, 2018
Net Profit / Other Equity as per Previous Indian GAAP		36.60	11,260.88	11,224.29
Adjustment Impact: Gain/(loss)				
Fair Value of Investment	1,3 &5	261.00	(605.37)	(843.07)
Others	1	(23.30)	-	-
Total IND AS Adjustment		237.70	(605.37)	(843.07)
Net Profit / Other Equity as per Ind AS		274.30	10,655.51	10,381.21
B.3 Notes to first-time adoption:				
1	Fair valuation of investments			
	Under previous GAAP, investments in long-term equity instruments were carried at cost and tested for other the temporary diminution. Under Ind AS, investments other than investment in Subsidiaries are carried either at fair value through other comprehensive Income or (FVOCI). Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at other comprehensive Income or (FVOCI).			
2	Deferred tax			
	Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of IND AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.			

3	Borrowings
	Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transaction costs are then recognised in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.
4	Loans
	Under previous GAAP, all the service fee and facilitation charges received against sourcing of loans were recognised to statement of profit and loss. Under Ind AS, such service fee and facilitation charges received are adjusted from the carrying amount of loans on initial recognition. These transaction costs are recognised in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.
5	Other Comprehensive income
	Under IND AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'Other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.
6	Reconciliation of Cash Flow Statement
	The IND AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, IND AS adoption has no impact on the net cash flow for the year ended 31st March, 2019 as compared with the previous GAAP.
31	Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
	According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "financing activities". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable
32	The accounts of certain trade receivables, trade payables, loans and advances and banks are, however, subject to formal confirmations or reconciliations and consequent adjustments, if any. However, there is no indication of dispute on these accounts, other than those mentioned in the financial statements. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments. There is no pending litigations having impact on financial positions of the company.

NOTES TO FINANCIAL STATEMENTS

33	Details of payments to auditors	Rs. In Lakhs	
	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	Payment to auditors		
	As auditor:		
	Audit fee	1.50	1.00
	Total payments to auditors	1.50	1.00

34 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections already made in the month of March 2020. The Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets. The extent to which the COVID-19 pandemic will impact the Company's Financial Statement will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial Statement and the Company will continue to closely monitor any material changes to future economic conditions.

35 Figures pertaining to Previous Year have been regrouped / reclassified wherever found necessary to conform to Current Year presentation.

Signature to Notes No 1 to 35

For an on behalf of the Board of Directors

Anand Shroff
Director (DIN: 08480489)

Sudarshan Somani
Director (DIN: 00137568)

Place : Mumbai
Dated: 23rd May, 2020

Gautam Panchal
Director (DIN: 07826634)

Lalitha Cheripalli
Director (DIN: 07026989)

Independent Auditor's Report

**To,
The Members of
Starteck Finance Limited
(Formerly known as Nivedita Mercantile & Financing Limited)**

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Starteck Finance Limited** (formerly known as Nivedita Mercantile & Financing Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company & its subsidiaries together referred to as "the Group") comprising of consolidated Balance Sheet as at March 31st, 2020, the Consolidated Statement of Profit & Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, the consolidated profits (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date. its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 32 to the Consolidated Financial Statements, which assesses the recoverability of certain assets, the Company has considered internal and external information up to the date of this report in respect of the current and estimated future global economic indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our report is not modified in respect of this matter.

Key Audit Matters

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

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1.	<p>Accuracy in identification and categorisation of receivables from financing activities as performing and non-performing assets and in ensuring appropriate asset classification, existence of security, income recognition, provisioning/ write off thereof and completeness of disclosure including compliance in accordance with the applicable extant guidelines issued by Reserve Bank of India (RBI).</p> <p>Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios.</p>	<p>We have assessed the systems and processes laid down by the Company to appropriately identify and classify the receivables from financing activities including those in place to ensure correct classification, income recognition and provisioning/write off including of Non-performing assets as per applicable RBI guidelines. The audit approach included testing the existence and effectiveness of the control environment laid down by the management and conducting of detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute of Chartered Accountants of India. Agreements entered into regarding significant transactions including related to corporate loans have been examined to ensure compliance. We have also reviewed the reports generated from management information systems, reports issued by the internal/secretarial auditors. The impact of all significant external and internal events including those if any, subsequent to balance sheet date have been taken into consideration for the above purposes. Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.</p> <p>We performed an overall assessment of the ECL provision levels at each stage including Management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk Management practices and the macroeconomic environment.</p>

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

The Holding Company's Board of Directors is responsible for 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 financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including Other Comprehensive Income, Consolidated Cash flows and Consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used

for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors is responsible for assessing the Group'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 the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control 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 the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 consolidated 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- Opening balances have been considered based on the audited Consolidated Financial Statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP), as per Companies (Accounting Standards) Rules, 2006 issued by the preceding auditors whose un-qualified audit report dated 30th May, 2019 have been furnished to us. The differences arising from transition from previous GAAP to Ind AS have been derived from such audited financial statements. Our report on the Statement is not modified in respect of this matter.
- We did not audit the financial information of three subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 2,633.56 lakhs as at March 31, 2020 and total revenues of Rs. 19.79 lakhs, net profit / (loss) after tax & total comprehensive profit / (loss) of Rs. (26.42 lakhs) for the year ended March 31, 2020, as considered in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - d) On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company, none of the directors of any such company are disqualified as on March 31, 2020, from being appointed as a Director of the company in terms of sub-section (2) of section 164 of the Act.
 - e) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information

and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its subsidiaries - Refer note no 33 to the consolidated financial statements;
- (ii) The Holding Company and its subsidiaries did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. - 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 20044101AAAACQ4925

Place: Mumbai
Date: May 23, 2020

"Annexure A" to the Independent Auditor's Report – 31.03.2020

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

In conjunction with our audit of the consolidated financial statements of **Stardeck Finance Limited** (formerly known as Nivedita Mercantile & Financing Limited) ("the Holding Company") as of and for the year ended March 31, 2020 we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls over financial reporting of the Holding Company and its Subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by the auditors of Subsidiary Companies in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and the Subsidiary Companies.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and other auditors referred to in the Other matters paragraph below, the Holding Company and its Subsidiary Companies have, 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 respective Companies considering the essential components of internal controls stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and effectiveness of the internal financial controls over financial reporting in so far as it relates to its three Subsidiary Companies, is based solely on the corresponding reports of the auditors of such Companies.

Our opinion is not modified in respect of this matter.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. - 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 20044101AAAACQ4925

Place: Mumbai
Date: May 23, 2020

STARTECK FINANCE LIMITED				
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020				
				Rs in Lakhs
Particulars	Notes	As at 31st March 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
Financial assets				
(a) Cash and cash equivalents	2	505.55	49.72	8.87
(b) Bank balances other than (a) above	3	1,127.04	27.04	27.04
(c) Receivable				
- Other Receivable	4	143.43	125.88	125.64
(d) Loans	5	9,041.95	11,312.85	11,469.31
(e) Investments	6	7,299.41	7,319.20	6,634.55
(f) Other Financial Asset	7	21.29	78.08	34.04
Non Financial assets				
(a) Current tax assets (net)		460.41	248.04	212.33
(b) Investment Property	8	1,504.01	1,528.59	1,553.16
(c) Other Non Financial Asset	9	3.45	22.68	25.79
Total Assets		20,106.55	20,712.08	20,090.76
EQUITY AND LIABILITIES				
Financial Liabilities				
(a) Payable				
- Other Payable	10			
- total outstanding dues of creditors other than micro enterprises and small enterprises		21.87	8.82	6.30
(b) Borrowings	11	8,841.78	9,131.53	9,096.45
(c) Other Financial Liabilities	12	58.96	62.44	64.24
Non Financial Liabilities				
(a) Provisions	13	674.78	1,086.47	730.22
(b) Other Non Financial Liabilities	14	17.07	11.89	4.78
EQUITY				
Equity share capital	15	991.03	991.03	991.03
Other equity	16	9,501.06	9,419.90	9,197.54
Non Controlling Interest		-	-	0.20
Total Equity and Liabilities		20,106.55	20,712.08	20,090.76
Significant accounting policies				
As per our attached report of even date				
For Lodha & Company		For an on behalf of the Board of Directors		
Chartered Accountants				
Firm Registration No. 301051E				
R. P. Baradiya		Anand Shroff	Sudarshan Somani	
Partner		Director (DIN: 08480489)	Director (DIN: 00137568)	
Membership No. 44101				
Place : Mumbai		Gautam Panchal	Lalitha Cheripalli	
Dated: 23rd May, 2020		Director (DIN: 07826634)	Director (DIN: 07026989)	

STARTECK FINANCE LIMITED			
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020			
			Rs in Lakh
Particulars	Notes	Year ended 31st March 2020	Year ended 31st March, 2019
INCOME			
Revenue from operations			
Interest Income	17	1,424.68	1,433.94
Dividend Income	18	6.98	8.86
Fees and Commission Income	19	1,383.38	75.00
Total Revenue from operation (I)		2,815.04	1,517.80
Other income (II)	20	1.00	9.65
Total Income (I+II)		2,816.04	1,527.45
EXPENSES			
Finance Cost	21	845.31	860.55
Employee benefits expense	22	68.32	20.76
Other expenses	23	1,537.34	461.98
Total Expenses		2,450.97	1,343.29
Profit before tax		365.07	184.16
Tax expense :	24		
Current tax		2.90	36.85
Short / (excess) taxation of earlier years		-	(1.12)
Profit for the year		362.18	148.43
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Equity Instruments through other comprehensive income		(281.02)	96.84
Total Comprehensive Income for the year		81.16	245.27
Earnings per equity share of face value Re. 1 each			
Basic & Diluted	29	3.65	1.50
The accompanying notes are an integral part of these standalone financial statements			
For Lodha & Company		For an on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. 301051E			
R. P. Baradiya	Anand Shroff	Sudarshan Somani	
Partner	Director (DIN: 08480489)	Director (DIN: 00137568)	
Membership No. 44101			
Place : Mumbai	Gautam Panchal	Lalitha Cheripalli	
Dated: 23rd May, 2020	Director (DIN: 07826634)	Director (DIN: 07026989)	

STARTECK FINANCE LIMITED

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in lakhs)

A. Equity Share Capital	No of Shares	Amount
As at 1st April, 2018	99,10,330	991.03
Changes in equity share capital during 2018-19	-	-
As at 31st March, 2019	99,10,330	991.03
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	99,10,330	991.03

B. Other Equity (Rs. in lakhs)

Particulars	Reserves and surplus				Other Comprehensive Income	Total
	Securities premium account	Capital Reserve	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Retained earnings	Equity instrument through other comprehensive income	
As at 1st April, 2018	8,048.66	9.99	440.36	581.53	117.00	9,197.54
Profit for the year	-	-	-	148.43	-	148.43
Other comprehensive income for the year	-	-	-	-	96.84	96.84
Capital Reserve on Merger		(22.91)		-		(22.91)
Transfer to Retained Earning		22.91		(22.91)		-
Total Comprehensive Income for the year	8,048.66	9.99	440.36	729.96	213.84	9,419.91
Transfer to Statutory Reserve	-	-	7.32	(7.32)	-	-
Balance as at 31st March, 2019	8,048.66	9.99	447.68	722.64	213.84	9,419.91
Profit for the year	-	-	-	362.18	-	362.18
Other comprehensive income for the year	-	-	-	-	(281.02)	(281.02)
Total comprehensive income for the year	8,048.66	9.99	447.68	1,084.82	(67.18)	9,501.07
Transfer to Statutory Reserve	-	-	77.72	(77.72)	-	-
Balance as at 31st March, 2020	8,048.66	9.99	525.40	1,007.10	(67.18)	9,501.07

For Lodha & Company
Chartered Accountants
Firm Registration No. 301051E

For an on behalf of the Board of Directors

R. P. Baradiya
Partner
Membership No. 44101

Anand Shroff
Director (DIN: 08480489)

Sudarshan Somani
Director (DIN: 00137568)

Place : Mumbai
Dated: 23rd May, 2020

Gautam Panchal
Director (DIN: 07826634)

Lalitha Cheripalli
Director (DIN: 07026989)

STARTECK FINANCE LIMITED				
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020				
Rs in Lakhs				
	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Rs.	Rs.	Rs.	Rs.
Cash Flow from Operating Activities				
Profit before tax as per Statement of Profit and Loss		365.07		184.16
Adjusted for:				
Gain/(Loss) on amortisation	(154.01)		(139.58)	
Provision for standard & sub- standard assets	(411.69)		356.25	
Dividend Income	(6.98)	(572.68)	(8.86)	207.81
Operating Profit before Working Capital Changes		(207.61)		391.97
Adjusted for:				
(Increase)/Decrease in Loan	2,270.90		156.47	
(Increase)/Decrease in Other Receivables	(153.90)		(76.87)	
Increase/(Decrease) in Borrowings	(289.75)		35.08	
Increase/(Decrease) in Others Liabilities & Provisions	14.75	1,841.99	7.83	122.51
Cash Generated From Operations		1,634.38		514.48
Less: Income Tax Paid		2.90		35.73
Net Cash from / (used in) Operating Activities (A)		1,631.48		478.75
Cash Flow from Investing Activities				
Fixed Deposit	(1,100.00)		-	
Dividend Income	6.98		8.86	
Sale of Investments	217.53		85.37	
Business (Acquisition) / Dilution	-		(23.11)	
Purchase of Investments	(300.16)	(1,175.65)	(509.03)	(437.91)
Net Cash from / (used in) Investing Activities (B)		(1,175.65)		(437.91)
Cash Flow from Financing Activities				
Net Cash from / (used in) Financing Activities (C)		-		-
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		455.83		40.84
Cash and Cash Equivalents - Opening Balance		49.72		8.87
Cash and Cash Equivalents - Closing Balance		505.55		49.72
Note:				
Note: Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.				
For Lodha & Company Chartered Accountants Firm Registration No. 301051E		For an on behalf of the Board of Directors		
R. P. Baradiya Partner Membership No. 44101	Anand Shroff Director (DIN: 08480489)	Sudarshan Somani Director (DIN: 00137568)		
Place : Mumbai Dated: 23rd May, 2020	Gautam Panchal Director (DIN: 07826634)	Lalitha Cheripalli Director (DIN: 07026989)		

STARTECK FINANCE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENT

1.1 Corporate Information and Basis of preparation

Stardeck Finance Limited (the "Company") is a listed public company having its registered office at 5th Floor, Sunteck Center, Vile Parle East Mumbai -400 057. The Company currently operates as a Non-Deposit taking, Non-Systemically Important ("ND-NSI") registered with the RBI vide certificate no. 13.00758 dated 20th April, 1998

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Master Direction - Non-Banking Financial Company -Non Systemically Important Non-Deposit taking Company Directions issued by RBI.

The Company 's consolidated financial statements up to and for the year ended March 31, 2019 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable including the NBFC Master Directions.

The consolidated financial statements for the year ended March 31, 2020 are the first financial statements of the Company prepared under Ind AS. The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e April 01, 2018. Some of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its policies applied under Indian GAAP as at March 31, 2018 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at April 01, 2018 as required by Ind-AS 101. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 30.

The consolidated 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/

Fair value is the price that would be received to sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as value in use in Impairment of Assets.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Based on the nature of products / activities of the Company entities and the normal time between acquisition of assets and their realisation 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.

Principles of consolidation and equity accounting

Subsidiaries are all entities over which the group has control. The Group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the profit/(loss) for the year and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

The excess of cost of investment in the subsidiaries, over group's share in the net assets at the date of acquisition of shares / stake in the subsidiaries is recognised as Goodwill in the consolidated financial statements. When the cost of investment is less than the group's share of net assets, the difference is recognized in the consolidated financial statements as Capital Reserve.

1.2 Significant accounting Judgements and Estimate

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

Recognition and measurement of provisions and contingencies: assumptions about the likelihood and magnitude of an outflow of resources

Measurement of expected credit losses

Impairment test: assumptions underlying recoverable amounts

Judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

1.3 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.

Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR)

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

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 expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

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

Fee and commission income and expense 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, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees

Fee and commission expenses with regards to services are accounted for as the services are received

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 or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract

1.4 Property, plant and equipment (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2018. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

1.5 Financial instruments:

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised 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 costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously

(A) Financial Asset

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash

flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(iii) Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are payments of principal and interest on the principal outstanding

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(B) Financial liabilities

Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

1.6 Write off :

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is 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. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

1.7 Taxation

Current Tax :

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

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 computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. 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 asset to be

recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.8 Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.9 Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when: (i) a Company entity has a present obligation (legal or constructive) as a result of a past event; and (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received

Contingent liability is disclosed in case of: (i) 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 (ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.10 Cash Flow Statement

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 operating receivables and payables transactions of a non-cash nature; (ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March 2020	As at 31st March, 2019	As at 1st April, 2018
2	Cash and cash equivalents			
	Balances with Banks			
	In current accounts	503.45	46.21	7.93
	Cash on hand	2.10	3.51	0.95
	Total cash and cash equivalents	505.55	49.72	8.87
3	Bank balances other than (note no. 2) above			
	Earmarked bank balances	18.04	18.04	18.04
	Unpaid dividend account			
	In term deposits with original maturity of less than twelve months *	1,109.00	9.00	9.00
	Total Bank balances other than (note no. 2) above	1,127.04	27.04	27.04
4	Receivable			
	Other Receivable			
	Interest accrued	143.43	125.88	125.64
	Total Receivable	143.43	125.88	125.64
5	Loans			
	Secured, considered good			
	Home Loan	16.16	-	-
	Secured, considered good			
	Loan to Body corporates and others	495.06	-	-
	Unsecured, considered good			
	Loans to employees	-	0.17	-
	Loan to Body corporates and others	8,533.82	11,312.68	11,469.31
	Gross Loan	9,045.04	11,312.85	11,469.31
	Less: Unamortization of processing fees	(3.09)	-	-
	Net Loans	9,041.95	11,312.85	11,469.31
	Loans in India			
	Public Sector	-	-	-
	Other	9,045.04	11,312.85	11,469.31
	Gross Loan	9,045.04	11,312.85	11,469.31
	Less: Unamortization of processing fees	(3.09)	-	-
	Net Loans	9,041.95	11,312.85	11,469.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March 2020	As at 31st March, 2019	As at 1st April, 2018
6	Non-current investments			
6.1	Investment in Bonds and Debenture			
	Investments in Tax Free Bonds (Quoted)			
	Housing & Urban Development Corporation, 8.14%,25th October 2023	250.47	250.58	250.67
	25,000 (31st March 2019 25,000 31st March 2018 25,000) bonds of Rs. 1,000 each			
	Housing & Urban Development Corporation, 8.39%,25th October 2023	49.89	49.86	49.82
	5,000 (31st March 2019 5,000 31st March 2018 5,000) bonds of Rs. 1,000 each			
	Housing & Urban Development Corporation, 8.58%,13th January 2029	218.60	219.27	219.88
	21,000 (31st March 2019 21,000 March 2018 21,000) bonds of Rs. 1,000 each			
	India Infrastructure Finance Company Ltd, 8.38%,12th November 2028	301.14	301.23	301.32
	30,000 (31st March 2019 30,000 31st March 2018 30,000) bonds of Rs. 1,000 each			
	India Infrastructure Finance Company Ltd, 8.48% 22nd January 2029	208.74	209.42	210.05
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	India Infrastructure Finance Company Ltd 8.55% 27th March 2029	220.76	222.43	224.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	India Renewable Energy Development Agency Ltd, 8.55%,13th March 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	Indian Railway Finance Corporation 8.00% 23rd February 2022	238.76	240.78	242.67
	23,449 (31st March 2019 23,449 31st March 2018 23,449) bonds of Rs. 1,000 each			
	Indian Railway Finance Corporation 8.40%,18th February 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	Indian Railway Finance Corporation 8.63%,26th March 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	National Highway Authority of India 8.20% 25th January 2022	75.58	76.28	76.93
	7,417 (31st March 2019 7,417 31st March 2018 7,417) bonds of Rs. 1,000 each			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March 2020	As at 31st March, 2019	As at 1st April, 2018
	National Highway Authority of India 8.50%,05th Febuary 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	National Housing Bank 8.63% 13th January 2029	72.20	72.20	72.20
	1,444 (31st March 2019 1,444 31st March 2018 1,444) bonds of Rs. 5,000 each			
	NHPC Ltd 8.54%,02nd November 2028	161.05	161.05	161.05
	16,105 (31st March 2019 16,105 31st March 2018 16,105) bonds of Rs. 1,000 each			
	NHPC Ltd 8.79%,02nd November 2028	51.92	52.07	52.21
	5,000 (31st March 2019 5,000 31st March 2018 5,000) bonds of Rs. 1,000 each			
	Power Finance Corporation 8.20% 01st Febuary 2022	200.74	202.27	203.69
	19,758 (31st March 2019 19,758 31st March 2018 19,758) bonds of Rs. 1,000 each			
	Power Finance Corporation 8.54%,16th No- vember 2028	291.50	291.50	291.50
	29,150 (31st March 2019 29,150 31st March 2018 29,150) bonds of Rs. 1,000 each			
	Power Finance Corporation 8.79%16th Novem- ber 2028	43.82	43.85	43.90
	4,310 (31st March 2019 4,310 31st March 2018 4,310) bonds of Rs. 1,000 each			
	Rural Electrification Corporation Ltd 8.26% 24th September 2023	50.00	50.00	49.99
	5,000 (31st March 2019 5,000 31st March 2018 5,000) bonds of Rs. 1,000 each			
	Rural Electrification Corporation Ltd 8.63% 24th March 2029	200.00	200.00	200.00
	20,000 (31st March 2019 20,000 31st March 2018 20,000) bonds of Rs. 1,000 each			
	Rural Electrification Corporation Ltd 7.22 %,19th December 2022	301.73	302.24	302.72
	30,002 (31st March 2019 30,002 31st March 2018 30,002) bonds of Rs. 1,000 each			
	Debentures (Unquoted)			
	Naksh Corporate Solutions Pvt Ltd 0.01% optionally convertible debentures	2,174.49	1,987.81	1,816.07
	2,756 (31st March 2019 2,756 31st March 2018 2,756) debenture of Rs. 1,00,000 each			
		5,911.41	5,732.83	5,568.67
	- The tax free bonds book value of Rs 3,736.91 Lakhs are pledged to ICICI Bank Limited (Previous Year Rs 3,745.02 Lakhs were pledged to ICICI Bank Limited)			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March 2020	As at 31st March, 2019	As at 1st April, 2018
6.2	Other investments			
	Investment in equity instruments (At fair value through other comprehensive income unless otherwise stated)			
	Quoted, fully paid up (At fair value through other comprehensive income unless otherwise stated)			
	Bharat Heavy Electricals Ltd	-	-	38.64
	NIL (31st March 2019 NIL 31st March 2018 57,500) share of Rs. 2 each			
	Care Ratings Ltd	4.94	14.84	-
	1,500 (31st March 2019 1,500 31st March 2018 NIL) share of Rs. 10 each			
	Cox & Kings (I) Ltd	0.08	19.58	31.92
	14,000 (31st March 2019 14,000 31st March 2018 14,000) share of Rs. 5 each			
	Indian Energy Exchange Ltd	5.49	90.65	-
	4,295 (31st March 2019 54,940 31st March 2018 NIL) share of Rs. 1 each			
	Tata Motors Ltd	3.55	8.71	-
	5,000 (31st March 2019 5,000 31st March 2018 NIL) share of Rs. 2 each			
	Tata Steel Ltd	17.53	33.87	-
	6,500 (31st March 2019 6,500 31st March 2018 NIL) share of Rs. 10 each			
	TV18 Broadcast Ltd	73.47	97.27	-
	4,74,000 (31st March 2019 2,74,000 31st March 2018 NIL) share of Rs. 2 each			
	Unity Infraprojects Ltd	0.03	0.05	0.34
	8,000 (31st March 2019 8,000 31st March 2018 8,000) share of Rs. 2 each			
	Vedanta Ltd	12.95	36.89	-
	20,000 (31st March 2019 20,000 31st March 2018 NIL) share of Rs. 1 each			
	Welspun Corp Ltd	-	87.17	-
	NIL (31st March 2019 20,000 31st March 2018 NIL) share of Rs. 5 each			
	Welspun Enterprises Ltd	12.68	33.00	-
	31,000 (31st March 2019 31,000 31st March 2018 NIL) share of Rs. 5 each			
	Cox & Kings Financial Services Ltd	0.01	3.55	-
	4,667 (31st March 2019 4,667 31st March 2018 NIL) share of Rs. 5 each			
	Finolex Industries Ltd.	134.79	-	-
	34,500 (31st March 2019 NIL 31st March 2018 NIL) share of Rs. 5 each			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March 2020	As at 31st March, 2019	As at 1st April, 2018
	Unquoted, fully paid up			
	Samhrutha Habitat Infrastructure Private Ltd.	244.12	206.10	199.00
	25,35,000 (31st March 2019 25,35,000 31st March 2018 25,35,000) shares of Rs 10 each			
	Eskay Infrastructure Development Pvt Ltd	873.14	949.51	795.98
	78,732 (31st March 2019 78,732 31st March 2018 78,732) shares of Rs 10 each			
	Investment in MUTUAL Fund (At fair value through other comprehensive income unless otherwise stated)			
	DSP Black Rock TIGER Fund	5.21	5.19	-
	5,441.97 (31st March 2019 5,441.97 31st March 2018 NIL) units			
	Total Other investments	1,387.99	1,586.37	1,065.88
	Total investments	7,299.41	7,319.20	6,634.55
	Break up of Investments			
	In India	7,299.41	7,319.20	6,634.55
	Outside India	-	-	-
	Total investments	7,299.41	7,319.20	6,634.55
7	Other Financial assets			
	Other advances and receivables	19.79	76.58	32.54
	Security deposits	1.50	1.50	1.50
	Total Other Financial assets	21.29	78.08	34.04
8	Investment Property			
	Leasehold and Freehold Land	1,504.01	1,528.59	1,553.16
	Total Investment Property	1,504.01	1,528.59	1,553.16
9	Other Non Financial assets			
	Input Tax Credit	2.30	21.34	24.27
	Prepaid expenses	1.15	1.34	1.53
	Total Other Non Financial Assets	3.45	22.68	25.79
10	Trade payables			
	Trade payable - Micro and small enterprises*	-	-	-
	Trade payable - Other than micro and small enterprises	21.87	8.82	6.30
	Total trade payables	21.87	8.82	6.30

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Based on the information available as identified by the Company, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:			
	a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-	-
	b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day,	-	-	-
	c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-	-
	d) The amount of interest accrued and remaining unpaid during the accounting year.	-	-	-
	e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-
11	Borrowings			
	Secured			
	From Financial institutions	3,131.14	3,147.71	5,724.08
	From Bank	4,648.80	2,589.52	-
	Unsecured	-	-	-
	From Body Corporates	1,062.71	3,394.31	3,372.36
		8,842.64	9,131.53	9,096.45
	Less : Unamortised Ancillary cost of arranging the borrowings	(0.86)		
	Total Borrowings	8,841.78	9,131.53	9,096.45
	Terms and Conditions for Secured Loan taken from Financial Institutions			
	Indiabulls Housing Finance Ltd			
	- The term loan is secured by way of mortgage of property situated at Nepean Sea Road which belongs to Naksh Corporate Solutions Pvt Ltd and Brown Trading Pvt Ltd through tri- parties agreement.			
	- Tenure of the loan has been increased to (25.5-32.5) years from (25.5-32.5) years due to increase in rate of interest.			
	- Rate of interest 13.25% p.a. (previous year 13.25% p.a.)			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Terms and Conditions for Secured Loan taken from Banks				
ICICI Bank Limited				
- The Bank overdraft of Rs. 2,800.38 Lakhs (Previous Year Rs 2,589.52) is secured by way of pledge of tax free bonds and other securities.				
- The interest rate on Bank Overdraft of Rs. 2,800.38 Lakhs (Previous Year Rs 2589.52) @ 7.95% (8.65%)				
Barclays Bank Plc				
- The Bank overdraft of Rs.1,848.42 Lakhs (Previous Year Nil) is secured by way of pledge of tax free bonds and other securities.				
- The interest rate on Bank Overdraft of s.1,848.42 Lakhs (Previous Year Nil) @ 7.75% (Nil)				
12	Other financial liabilities			
	Interest accrued but not due on borrowings	30.11	30.27	45.20
	Unpaid dividends	18.04	18.04	18.04
	Others	10.80	14.13	1.00
	Total financial liabilities	58.96	62.44	64.24
13	Provisions			
	Impairment Loss allowance on loans	674.78	1,086.47	730.22
	Total provisions	674.78	1,086.47	730.22
14	Other Non financial liabilities			
	Statutory dues payables	17.07	11.89	4.78
	Total non financial liabilities	17.07	11.89	4.78
15	Equity share capital			
	Authorised share capital			
	15,00,00,000 equity shares of Rs. 10 each	15,000.00	15,000.00	15,000.00
	(31st March 2019 15,00,00,000 31st March 2018 15,00,00,000)			
	Total authorised share capital	15,000.00	15,000.00	15,000.00
	Issued, subscribed and fully paid up			
	99,10,330 equity shares of Re. 10 each	991.03	991.03	991.03
	(31st March 2019 99,10,330 31st March 2018 99,10,330)			
	Total issued, subscribed and fully paid up share capital	991.03	991.03	991.03

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(i) Reconciliation of equity share capital

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
At the beginning of the period	99,10,330	991.03	99,10,330	991.03	99,10,330	991.03
Issued during the year						
Outstanding at the end of the period	99,10,330	991.03	99,10,330	991.03	99,10,330	991.03

(ii) Terms and rights attached to equity shares

The Company has only one class of equity share having value of Rs 10 each with an entitlement of one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the annual general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
SW Capital Private Limited	9.79%	9,70,139	9.79%	9,70,139	9.79%	9,70,139
Eskay Infrastructure Development Private Limited	10.55%	10,45,700	10.55%	10,45,700	10.55%	10,45,700
Akrur Kamal Khetan	5.50%	5,45,400	5.50%	5,45,400	5.50%	5,45,400
Anupma Kamal Khetan	5.50%	5,45,400	5.50%	5,45,400	5.50%	5,45,400

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
16	Other equity			
	Reserves & surplus			
	- Securities premium account	8,048.66	8,048.66	8,048.66
	- Statutory Reserve Fund	525.40	447.68	440.36
	- Capital Reserve	9.99	9.99	9.99
	- Retained earnings	984.18	699.73	581.53
	Other comprehensive income			
	- Equity instrument through other comprehensive income	(67.18)	213.84	117.00
	Total other equity	9,501.06	9,419.90	9,197.54
	Particulars	As at 31st March, 2020	As at 31st March, 2019	
(i)	Securities premium reserve			
	Opening balance		8,048.66	8,048.66
	Addition during the year			-
	Closing balance	8,048.66	8,048.66	
(ii)	Statutory Reserve			
	Opening balance		447.68	440.36
	Transferred from Retained Earning		77.72	7.32
	Closing balance	525.40	447.68	
(vi)	Capital reserve			
	Opening balance		9.99	9.99
	Transferred (to) / from retained earning		-	22.91
	Capital Reserve on consolidation		-	(22.91)
	Closing balance	9.99	9.99	
(vii)	Retained earnings			
	Opening balance		699.73	581.53
	Net profit for the year		362.18	148.43
	Transferred to statutory reserve		(77.72)	(7.32)
	Transferred (to) / from capital reserve		-	(22.91)
	Closing balance	984.18	699.73	
(viii)	Other comprehensive income			
	- Equity instrument through other comprehensive income			
	Opening balance		213.84	117.00
	Income/(loss) for the year		(281.02)	96.84
	Closing balance	(67.18)	213.84	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Nature & purpose of other equity and reserves :

(a) Capital reserve :

Capital reserve is created out of capital profits and are usually not distributed as dividends to shareholders.

(b) Securities premium account :

Securities premium reserve is used to record the premium on issue of financial securities such as equity shares, preference shares, compulsory convertible debentures. The reserve is utilised in accordance with the provision of the Act.

(c) Reserve u/s 45 IC of the Reserve Bank of India Act, 1934:

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

(Rs. in lakhs)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
17	Revenue from operations		
	Interest Income		
	Interest on Loan	1,106.55	1,133.99
	Interest income on Investment	318.13	299.64
	Interest on income tax refund	-	0.30
	Total Interest Income	1,424.68	1,433.94
18	Dividend		
	Dividend Received	6.98	8.86
	Total Dividend	6.98	8.86
19	Fees and Commission		
	Processing Fees & Advisory Services Fees	1,383.38	75.00
	Total Fees and Commission	1,383.38	75.00
20	Other income		
	Sundry Balance W/off	1.00	9.65
	Total other income	1.00	9.65
21	Finance Cost		
	Interest on Borrowing	605.84	677.00
	Interest on Bank Overdraft	236.81	183.55
	Other Borrowing Cost	2.66	-
	Total Finance Cost	845.31	860.55
22	Employee benefits expense		
	Salaries and wages	66.91	19.45
	Staff welfare expenses	1.41	1.31
	Total employee benefits expense	68.32	20.76

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
23	Other expenses		
	Annual, listing fees and other fees	3.95	3.91
	Amortisation of LeaseHold Land	24.58	24.58
	Business promotion	1.02	1.37
	Bad Debt written off	1,476.26	-
	Demat charges	0.02	0.06
	Director sitting fees	0.60	0.35
	Insurance	0.19	0.19
	Legal and professional	407.33	50.80
	Miscellaneous expenses	4.71	7.64
	Payments to auditors	1.95	1.42
	Printing and stationery	0.27	0.10
	Provision for standard & sub- standard assets	(411.69)	356.25
	Rent, rates and taxes	17.76	5.02
	Travelling and conveyance	2.89	2.06
	CSR Activity	7.50	8.23
	Total other expenses	1,537.34	461.98

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

24 Income tax expense

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Tax expense recognised in the Statement of Profit and Loss

Rs in Lakhs

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	Current tax on profits for the year	2.90	36.85
	Adjustments for current tax of prior periods	-	(1.12)
	Total current tax expense	2.90	35.73
	Deferred tax charge/(credit)-P&L	-	-
	Other Comprehensive Income-Remeasurments of net defined benefit plans	-	-
	Total deferred tax expense/(benefit)	-	-
	Income tax expense/(benefit)	2.90	35.73

Rs in Lakhs

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:			
	Enacted income tax rate in India applicable to the Company	25.168%	27.820%
	Profit/(loss) before income tax expense	365.07	184.16
	Current Tax Expense on Profit/(Loss) before tax expenses at enacted income tax rate in India	91.88	51.23
	Tax effects of :		
	Disallowable expenses	(0.07)	(14.89)
	Exempt income	(314.41)	(315.44)
	Tax in respect of earlier years	-	(1.12)
	Other items	225.50	315.95
	Income tax expense	2.90	35.73

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

25	<p>Related Party Disclosures Name of the Related Parties : Disclosure of related party transaction and balances for the year ended 31st March 2020 Relationship List of related parties with whom transactions has been entered in the ordinary course of business (A) Key Management Personal Anand Shroff Shreya Shetty Lalitha Cheripalli</p> <p>(B) Entity/ Person having Significant Influence Eskay Infrastructure Development Private Limited Glint Infraprojects Private Limited Luton Finance and Investment Private Limited Samagra Wealthmax Private Limited Starteck Infraprojects Private Limited Sunteck Realty Limited SW1 Advisory Private Limited SW Capital Private Limited Niyamit Mercantile and Trading LLP Kanaka & Associates SW Investment Limited</p>		
	Related Party Transactions		
			_(Rs. in Lakhs)
	Particulars	KMP	Others
	(i) Transaction during the year		
	Rent Paid	-	3.72
	Salary Paid	58.09	-
	Interest Received	-	586.05
	Interest Paid	-	86.58
	Bad Debt	-	1,476.26
	Brokerage Paid	-	0.36
	(i) Transaction during the year		
	Loan and Advances given	-	1,763.11
	Loan Taken	-	106.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26 Fair value measurements

(i) Fair value hierarchy

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges are valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the use of discounted cash flow for fair value at amortised cost

Financial Assets and Liabilities as at 31st March, 2020	Routed through Profit and loss			Routed through OCI			Carried at amortised cost			Total		
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1		Level 3	Carrying amounts
Financial assets												
Investments												
- Equity instruments												
Quoted	-	-	-	-	270.73	-	-	270.73	-	-	-	-
Unquoted	-	-	-	-	-	1,117.26	-	1,117.26	-	-	-	-
- Bonds Debentures												
Quoted	-	3,736.92	-	3,736.92								3,736.92
Unquoted	-	2,174.49	-	2,174.49								2,174.49
Receivables	-	-	-	-	-	-	-	-	-	143.43	143.43	143.43
Loans	-	-	-	-	-	-	-	-	-	9,041.95	9,041.95	9,041.95
Other advances and receivables ' - to others	-	-	-	-	-	-	-	-	-	21.29	21.29	21.29
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	505.55	505.55	505.55
Other bank balances	-	-	-	-	-	-	-	-	-	1,127.04	1,127.04	1,127.04
Total financial assets	-	5,911.41	-	5,911.41	270.73	1,117.26	-	1,387.99	-	10,839.27	10,839.27	18,138.67
Financial liabilities												
Loans from Financial Institutions	-	-	-	-	-	-	-	-	-	3,131.14	3,131.14	3,131.14
Bank Overdraft	-	-	-	-	-	-	-	-	-	4,648.80	4,648.80	4,648.80
Loans from related parties and others	-	-	-	-	-	-	-	-	-	1,062.71	1,062.71	1,062.71
Trade payables	-	-	-	-	-	-	-	-	-	21.87	21.87	21.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Financial Assets and Liabilities as at 31st March, 2020	(Rs. in lakhs)											
	Routed through Profit and loss			Routed through OCI			Carried at amortised cost			Total		
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total
Unpaid dividends	-	-	-	-	-	-	-	-	-	-	18.04	18.04
Interest accrued	-	-	-	-	-	-	-	-	-	-	30.11	30.11
Total financial liabilities	-	-	-	-	-	-	-	-	-	-	8,940.54	8,940.54

*Listed on BSE (However, not traded actively)

Financial Assets and Liabilities as at 31st March, 2019	(Rs. in lakhs)											
	Routed through Profit and loss			Routed through OCI			Carried at amortised cost			Total		
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total
Financial assets												
Investments												
- Equity instruments												
Quoted	-	-	-	-	430.77	-	430.77	-	-	-	-	430.77
Unquoted	-	-	-	-	-	1,155.60	1,155.60	-	-	-	-	1,155.60
- Bonds Debentures												
Quoted	-	3,745.02	-	3,745.02	-	-	-	-	-	-	-	3,745.02
Unquoted	-	1,987.81	-	1,987.81	-	-	-	-	-	-	-	1,987.81
Receivables												
Loans												
Other advances and receivables ' - to others												
Cash and cash equivalents												
Other bank balances												
Total financial assets	-	5,732.83	-	5,732.83	430.77	1,155.60	1,586.37	-	-	-	11,593.57	18,912.77
Interest accrued	-	-	-	-	-	-	-	-	-	-	30.27	30.27
Total financial liabilities	-	-	-	-	-	-	-	-	-	-	9,214.68	9,214.68

*Listed on BSE (However, not traded actively)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Financial Assets and Liabilities as at 1st April, 2018	Routed through Profit and loss			Routed through OCI			Carried at amortised cost			Total		
	Level 1	Level 3	Carrying amounts	Total	Level 1	Level 3	Carrying amounts	Total	Level 1		Level 3	Carrying amounts
Financial assets												
Investments												
- Equity instruments												
Quoted	-	-	-	-	70.91	-	-	70.91	-	-	-	70.91
Unquoted	-	-	-	-	-	994.98	-	994.98	-	-	-	994.98
- Bonds Debentures	-	-	-	-	-	-	-	-	-	-	-	-
Quoted	-	3,752.60	-	3,752.60	-	-	-	-	-	-	-	3,752.60
Unquoted	-	1,816.07	-	1,816.07	-	-	-	-	-	-	-	1,816.07
Receivables	-	-	-	-	-	-	-	-	-	-	125.64	125.64
Loans	-	-	-	-	-	-	-	-	-	-	11,469.31	11,469.31
Other advances and receivables ' - to others	-	-	-	-	-	-	-	-	-	-	34.04	34.04
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	8.87	8.87
Other bank balances	-	-	-	-	-	-	-	-	-	-	27.04	27.04
Total financial assets	-	5,568.67	-	5,568.67	70.91	994.98	-	1,065.88	-	-	11,664.91	18,299.46
Financial liabilities												
Loans from Financial Institutions	-	-	-	-	-	-	-	-	-	-	5,724.08	5,724.08
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Loans from related parties and others	-	-	-	-	-	-	-	-	-	-	3,372.36	3,372.36
Trade payables	-	-	-	-	-	-	-	-	-	-	6.30	6.30
Other Liabilities	-	-	-	-	-	-	-	-	-	-	5.78	5.78
Unpaid dividends	-	-	-	-	-	-	-	-	-	-	18.04	18.04
Interest accrued	-	-	-	-	-	-	-	-	-	-	30.27	30.27
Total financial liabilities	-	-	-	-	-	-	-	-	-	-	9,156.84	9,156.84

*Listed on BSE (However, not traded actively)

Note: There are no financial assets/liabilities categorized under Level 2

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Fair value measurements using significant unobservable inputs (level 3)

(Rs. in lakhs)

Particulars	Unlisted equity securities
As at 1st April, 2018	994.98
Gains/(losses) recognised in other comprehensive income	160.63
As at 31st March, 2019	1,155.60
Gains/(losses) recognised in other comprehensive income	(38.35)
As at 31st March, 2020	1,117.26

(iv) Fair value of financial assets and liabilities measured at amortised cost

(Rs. in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans	9,041.95	9,041.95	11,312.85	11,312.85	11,469.31	11,469.31
Total financial assets	9,041.95	9,041.95	11,312.85	11,312.85	11,469.31	11,469.31
Financial liabilities						
Borrowings	8,842.64	8,842.64	9,131.53	9,131.53	9,096.45	9,096.45
Total financial liabilities	8,842.64	8,842.64	9,131.53	9,131.53	9,096.45	9,096.45

The carrying amounts of trade receivables, trade payables, other payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature. This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

27 Financial risk management

The Company's activities expose it to business risk, interest rate risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, the Company's risk management is carried out by a corporate treasury and corporate finance department under policies approved by the board of directors and top management. Company's treasury identifies, evaluates and mitigates financial risks in close cooperation with the Company's operating units. The board provides guidance for overall risk management, as well as policies covering specific areas.

(A) Credit Risk

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

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

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account receivables :

Rs in Lakh

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
0-3 months	68.15	51.31	51.14
3-6 months	-	-	-
6 months to 12 months	75.28	74.57	74.50
beyond 12 months	-	-	-
Total	143.43	125.88	125.64

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the group's liquidity position (comprising the unused cash and bank balances along with liquid investments) on the basis of expected cash flows. This is generally carried out at Company level in accordance with practice and limits set by the group. These limits vary to take into account the liquidity of the market in which the Company operates.

(i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rs in Lakh

	Contractual maturities of financial liabilities 31st March, 2020	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 year	Total
	Non-derivatives						
	Bank overdraft	2,800.38	1,848.42				4,648.80
	Borrowings						
	From Financial Institution	4.49	4.65	9.76	21.57	3,090.66	3,131.13
	From related parties and Others			1,062.71			1,062.71
	Trade payables*	21.87					21.87
	Unpaid Dividend	18.04					18.04
	Other Financial Liabilities	10.80					10.80
	Interest accrued but not due on borrowings	30.11					30.11
	Total non-derivative liabilities	2,885.70	1,853.07	1,072.47	21.57	3,090.66	8,923.46

Rs in Lakh

	Contractual maturities of financial liabilities 31st March, 2019	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 year	Total
	Non-derivatives						
	Bank overdraft	2,589.52					2,589.52
	Borrowings:						
	From Financial Institution	4.29	4.06	8.57	18.90	3,111.89	3,147.71
	From related parties and Others			3,394.31			3,394.31
	Trade payables*	8.82					8.82
	Unpaid Dividend	18.04					18.04
	Other Financial Liabilities	14.13					14.13
	Interest accrued but not due on borrowings	30.27					30.27
	Total non-derivative liabilities	2,665.06	4.06	3,402.88	18.90	3,111.89	9,202.79

Rs in Lakh

	Contractual maturities of financial liabilities 1st April, 2018	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 year	Total
	Non-derivatives						
	Bank overdraft	-	-	-	-	-	-
	Borrowings :						
	From Financial Institution	2,525.72	26.54	55.54	121.77	2,994.51	5,724.08
	From related parties and Others			3,372.36			3,372.36
	Trade payables*	6.30					6.30
	Unpaid Dividend	18.04					18.04
	Other Financial Liabilities	1.00					1.00
	Interest accrued but not due on borrowings	30.27					30.27
	Total non-derivative liabilities	2,581.33	26.54	3,427.90	121.77	2,994.51	9,152.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(C) Market risk

(i) Price Risk

- Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI .

- Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Impact of Profit before tax

Rs in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
BSE Sensex-Increase 5%	13.28	21.28	3.55
BSE Sensex-Decrease 5%	(13.28)	(21.28)	(3.55)

(ii) Cash flow and fair value interest rate risk

- Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

- Interest rate risk exposure:

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Rs in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Variable rate borrowings	4,647.93	2,589.52	-
Fixed rate borrowings	4,193.85	6,542.02	9,096.45
Total borrowings	8,841.78	9,131.53	9,096.45

- Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax :

Rs in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
50 bp increase would decrease the profit before tax by*	4.42	4.57
50 bp decrease would Increase the profit before tax by*	(4.42)	(4.57)

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28	Capital management			
	(a) Risk management			
	The Company's objectives when managing capital are to : 1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and 2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.			
	The gearing ratios were as follows:			
			Rs in Lakh	
	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2019
	Net debt (Total Debt - Cash & cash equivalent)	8,336.23	9,081.81	9,087.57
	Total equity	10,492.09	10,410.93	10,188.58
	Net debt to equity ratio	79%	87%	89%
	Loan covenants : The company intends to manage optimal gearing ratios.			
	(b) Dividends			
			Rs in Lakh	
	Particulars	As at 31st March, 2020	As at 31st March, 2019	
	Equity shares			
	Final dividend for the year ended 31st March, 2020 of Rs. .00 (31st March, 2019 - NIL other than promoters) per fully paid share for other than promoters	-	-	
	Dividends not recognised at the end of the reporting period			
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 0.25 per fully paid equity share for other than promoters (31st March, 2020 - Rs. 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	8.36	-	
	*Calculation is based on the no. of shares outstanding as at year end.			

29	Earnings per share		
	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	Earning Per Share has been computed as under :		
	Profit for the year (Rs.in lakhs) (A)	362.18	148.43
	Weighted average number of equity shares (B)	99,10,330	99,10,330
	Add : Potential equity shares on account of share application money pending allotment	-	-
	Weighted average number of Equity shares adjusted for the effect of dilution (C)	99,10,330	99,10,330
	Basic EPS (Amount in Rs.) (A/B) (Face value of Rs. 10 per share)	3.65	1.50
	Diluted EPS (Amount in Rs.) (A/C) (Face value of Rs. 10 per share)	3.65	1.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	
30	First-time adoption of IND AS
	Transition to IND AS
	These are the Company's first consolidated financial statements prepared in accordance with IND AS.
	The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March, 2020, the comparative information presented in these financial statements for the year ended 31st March, 2019 and in the preparation of an opening IND AS balance sheet at 1st April, 2018 (the Company's date of transition). In preparing its opening IND AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Company's Act 2013 (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to IND AS has affected the Company's financial position, financial performance set out in the following tables and notes.
A.	Exemptions and exceptions availed
	Set out below are the applicable IND AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND AS.
A.1	IND AS optional exemptions
A.1.1	Deemed cost IND AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by IND AS 38 Intangible Assets and investment property covered by IND AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.
A.1.2	Investments in subsidiaries, joint ventures and associates IND AS 101 provides an exemption that a first-time adopter which account for its investments in subsidiaries, joint ventures and associates in accordance with IND AS 27, 'Separate Financial Statements' shall measure those investments at one of the following amounts in its separate opening IND AS Balance Sheet: (a) cost determined in accordance with IND AS 27: or (b) deemed cost. The deemed cost of such an investment shall be its: (i) fair value at the entity's date of transition to IND ASs in its separate financial statements; or (ii) previous GAAP carrying amount at that date. Accordingly, the company has elected to apply this exemption and investment(i.e. in Equity Instruments) in subsidiaries, joint ventures and associates are carried at its previous GAAP carrying amount.
A.2	IND AS mandatory exceptions
A.2.1	Estimates An entity estimates in accordance with IND ASs at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. IND AS estimates as at 1st April, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with IND AS at the date of transition as these were not required under previous GAAP: 1. Investment in equity instruments carried at FVPL or FVOCI; 2. Investment in debt instruments carried at FVPL
A.2.2	Classification and measurement of financial assets IND AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IND AS.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B. Reconciliations between previous GAAP and IND AS
IND AS 101 requires an entity to reconcile equity, total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to IND AS.

B.1 Reconciliation of Balance Sheet as at 1st April, 2018 and 31st March, 2019 Rs in Lakh

Particulars	As at 1st April, 2018			As at 31st March, 2019		
	Regrouped Previous GAAP	IND AS adjustments	IND AS	Regrouped Previous GAAP	IND AS adjustments	IND AS
ASSETS						
Financial Assets						
Cash and cash equivalents	17.87	-	17.87	58.72	-	58.72
Bank balances other than above	18.04	-	18.04	18.04	-	18.04
Receivable	125.64	-	125.64	125.88	-	125.88
Loans	11,469.31	-	11,469.31	11,312.85	-	11,312.85
Investments	7,477.63	(843.07)	6,634.55	8,085.11	(765.91)	7,319.20
Other Financial Asset	34.04	-	34.04	78.08	-	78.08
Non Financial Assets						
Current tsx (net)	212.33	-	212.33	248.04	-	248.04
Investment Property	1,743.64	(190.48)	1,553.16	1,743.64	(215.05)	1,528.59
Other Non Financial Assets	25.79	-	25.79	22.68	-	22.68
Total assets	21,124.30	(1,033.55)	20,090.76	21,693.04	(980.96)	20,712.08
EQUITY AND LIABILITIES						
Financial Liabilities						
Payables	6.30	-	6.30	8.82	-	8.82
Borrowings	9,096.45	-	9,096.45	9,131.53	-	9,131.53
Other Financial Liabilities	64.24	-	64.24	62.44	-	62.44
Non Financial Liabilities						
Provisions	730.22	-	730.22	1,086.47	-	1,086.47
Other Non Financial Liabilities	4.78	-	4.78	11.89	-	11.89
Equity						
Equity share capital	991.03	-	991.03	991.03	-	991.03
Other equity	10,231.09	(1,033.55)	9,197.54	10,400.86	(980.96)	9,419.90
Non Controlling Interest	0.20	-	0.20	-	-	-
Total equity and liabilities	21,124.30	(1,033.55)	20,090.76	21,693.04	(980.96)	20,712.08

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B.1.1 Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2019		Rs in Lakh		
Particulars	Year ended 31st March, 2019			
	Regrouped Previous GAAP	IND AS adjustments	IND AS	
Interest Income	1,269.47	164.16	1,433.64	
Other Income	63.06	(44.25)	18.81	
Fees and Commission Income	75.00	-	75.00	
Total income	1,407.53	119.91	1,527.45	
Expenses				
Finance costs	860.55	-	860.55	
Employee benefits expense	20.76	-	20.76	
Other expenses	458.35	3.63	461.98	
Total expenses	1,339.66	3.63	1,343.29	
Profit before tax	67.87	116.29	184.16	
Income tax expense	35.73	-	35.73	
Current tax	36.85	-	36.85	
Taxation of earlier years	(1.12)	-	(1.12)	
Profit for the year	32.14	116.29	148.43	
Other Comprehensive Income				
Equity Instruments through OCI	-	96.84	96.84	
Total Comprehensive Income	32.14	213.13	245.27	
B.2.1 Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP:		Rs in Lakh		
Nature of Adjustments	Notes	Net Profit	Other Equity	
		As at 31st March, 2019	As at 31st March, 2019	As at 1st April, 2018
Net Profit / Other Equity as per Previous Indian GAAP		32.14	11,391.89	11,222.13
Adjustment Impact: Gain/(loss)				
Fair Value of Investment/Instrument in Subsidiary	1,3&5	204.29	(980.96)	(1,033.55)
Others	1	(23.30)	-	-
Total IND AS Adjustment		180.99	(980.96)	(1,033.55)
Net Profit / Other Equity as per Ind AS		213.13	10,410.93	10,188.58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B.3	Notes to first-time adoption:
1	Fair valuation of investments Under previous GAAP, investments in long-term equity instruments were carried at cost and tested for other the temporary diminution. Under Ind AS, investments other than investment in Subsidiaries are carried either at fair value through other comprehensive Income or (FVOCI). Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at other comprehensive Income or (FVOCI).
2	Deferred tax Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of IND AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.
3	Borrowings Under previous GAAP, transaction costs were charged to profit or loss as and when incurred with a corresponding adjustment to inventories. IND AS 109 these transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.
4	Loans Under previous GAAP, all the service fee and facilitation charges received against sourcing of loans were recognised to statement of profit and loss. Under Ind AS, such service fee and facilitation charges received are adjusted from the carrying amount of loans on initial recognition. These transaction costs are recognised in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.
5	Other Comprehensive income Under IND AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'Other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.
6	Reconciliation of Cash Flow Statement The IND AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, IND AS adoption has no impact on the net cash flow for the year ended 31st March, 2019 as compared with the previous GAAP.
31	Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "financing activities". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable
32	The accounts of certain trade receivables, trade payables, loans and advances and banks are, however, subject to formal confirmations or reconciliations and consequent adjustments, if any. However, there is no indication of dispute on these accounts, other than those mentioned in the financial statements. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments. There is no pending litigations having impact on financial positions of the company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33	Details of payments to auditors	Rs in Lakh	
	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	Payment to auditors		
	As auditor:		
	Audit fee	1.50	1.00
	Total payments to auditors	1.50	1.00
34	<p>The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections already made in the month of March 2020. The Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets. The extent to which the COVID-19 pandemic will impact the Company's Financial Statement will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial Statement and the Company will continue to closely monitor any material changes to future economic conditions.</p>		
35	<p>Figures pertaining to Previous Year have been regrouped / reclassified wherever found necessary to conform to Current Year presentation.</p>		

Signature to Notes No 1 to 35

For an on behalf of the Board of Directors

Anand Shroff
Director (DIN: 08480489)

Sudarshan Somani
Director (DIN: 00137568)

Place : Mumbai
Dated: 23rd May, 2020

Gautam Panchal
Director (DIN: 07826634)

Lalitha Cheripalli
Director (DIN: 07026989)

