

**ANNUAL REPORT**  
**OF**  
**SRESTHA FINVEST LIMITED**  
**FOR THE PERIOD**  
**2018-2019**

**Name** : **SRESTHA FINVEST LIMITED**

**CIN No** : **L65993TN1985PLC012047**

**Registered Address** : **No.35/1, Muthu Krishnan Street,  
Kondithope, Chennai-600079**

**Board of Directors** : **1. Mrs. NAVITHA JAIN  
(NON-EXECUTIVE NON-INDEPENDENT DIRECTOR)  
2. Mr. KAMLESH PARASMAL –WTD  
INDEPENDENT DIRECTORS  
3. Mr. MANMOHAN -  
4. Mr. GOPAL BIHARILAL AHUJA**

**Bankers** : **PUNJAB NATIONAL BANK  
KOTAK MAHINDRA BANK**

**Share Registry** : **M/s. PURVA SHAREGISTRY (INDIA) PVT LTD  
No.9, Shiv Shakti Ind Estt,  
J.R.Boricha Marg, Lower Parel (East)  
Mumbai - 400011**

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Thirty Fourth (34<sup>th</sup>) Annual General Meeting (“AGM”) of the Members of Srestha Finvest Limited will be held on Friday, the 27<sup>th</sup> September 2019 at 10:00 A.M. at No. 35/1, Muthu Krishnan Street, Kondithope, Chennai, Tamil Nadu – 600079, to transact the following business:

**ORDINARY BUSINESS:****Item No.1: Adoption of Accounts of the Company:**

To receive, consider and adopt the Audited financial Statements of the Company for the year ended 31st March, 2019 including audited Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (“the Board”) and Auditors thereon.

**Item No.2:** To appoint a Director in place of Mrs. Navitha Jain (DIN:07492584), who retires by rotation and, being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

**Item No.3: Re-appointment of Mr. Manmohan (DIN:02613893) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013:**

**To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Manmohan (DIN: 02613893), who was appointed as an Independent Director of the Company for a term of five years, by the members at the 29th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from April 1, 2019 up to March 31, 2024, not liable to retire by rotation.”

**Item No.4: Re-appointment of Mr. Gopal B Ahuja (DIN:02613947) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013:**

**To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Gopal B Ahuja (DIN: 02613947), who was appointed as an Independent Director of the Company for a term of five years, by the members at the 29th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013,

be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from April 1, 2019 up to March 31, 2024, not liable to retire by rotation.”

**Item No.5: Re-Appointment of Mr. Kamlesh Parasmal as Whole Time Director**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under read with Schedule V to the said Act and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Kamlesh Parasmal (DIN: 00810823) as Whole Time Director of the Company (whose term expires on 29/11/2019) with effect from date of approval by members at ensuing General Body Meeting as per the terms as approved by the committee and board.

“RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Whole Time Director, the Company does not earn any profit or earns inadequate profits the Company may pay to the Whole Time Director, the approved remuneration as the minimum remuneration.”

**By Order of the Board of Directors  
For SRESTHA FINVEST LIMITED**

**Place : Chennai  
Date : 28.08.2019**

**Sd/-  
Kamlesh Parasmal  
Whole time Director  
DIN No: 00810823**

E-mail: srestha.info@gmail.com,  
Website:-www.srestha.co.in

**Registered Office:**  
No.35/1, Muthu Krishnan Street, Kondithope, Chennai-600079  
CIN: L65993TN1985PLC012047  
Tel: +91(44)25206006

**Notes:**

- The relative Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) are annexed.
- The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the stock exchanges, of persons seeking appointment/re-appointment relating to item Nos. 2 of the Notice are also annexed.
- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.
- Mr. Ramesh Kumar, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

5. The Company has engaged Central Depository Services (India) Limited (“CDSL”) to offer E-voting facility to all its members to enable them to cast their votes electronically. This notice is being sent to all the members, whose names appear in the Register of Members/Records of Depositories as on the close of working hours on 28<sup>th</sup> August 2019, and 20<sup>th</sup> September 2019 shall be “the cut-off date” reckoned as date for e-voting purposes. Voting Rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on the cut-off date. E-voting is optional for members. The Notice is sent electronically to all the shareholders who have registered their email addresses with the Company / Depositories and to other shareholders by Registered Post<sup>®</sup>/Courier.

6. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

7. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company's Registrar and Share Transfer Agent, M/s. Purva Shareregistry (India) Private Limited (Purva).

8. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

9. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Registrar & Transfer Agent, giving reference of their Folio Number.

10. Members may also note that the Annual Report for FY 2018-19 will also be available on the Company's website [www.srestha.co.in](http://www.srestha.co.in) for their download.

11. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of SEBI (LODR) Regulations, 2015, the Members are provided with the facility to cast their votes on resolutions through e-voting services provided by CDSL. In order to enable its Members, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice; the Company is enclosing a Ballot Form with the Notice. Instructions for voting through e-voting are given at Note annexed to this Notice. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

12. The facility for voting, either through electronic voting system or ballot form or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.

13. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

14. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be

treated as invalid.

15. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

16. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.srestha.co.in](http://www.srestha.co.in) and communicated to the Metropolitan Stock Exchange of India Limited (MSEI), Bombay Stock Exchange Limited (BSE) where the shares of the Company are listed.

17. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to [www.srestha.co.in](http://www.srestha.co.in) or [www.evotingindia.com](http://www.evotingindia.com) by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer at Mr. Ramesh Kumar, at No.7, P N Street, Chennai-600001, not later than 26<sup>th</sup> Septmeber, 2019, (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.

#### 18. Instructions for e-voting are as under:

(i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 34<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).

(ii) The voting period begins on 24<sup>th</sup> September, 2019 at 9.00 hours and ends on 26<sup>th</sup> September, 2019 at 17.00 hours. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20<sup>th</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.

(iv) Click on Shareholders Tab.

(v) Now, select “Srestha Finvest Limited” from the drop down menu and click on “SUBMIT”;

(vi) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID;

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used.

(viii) If you are a first time user, follow the steps given below and fill the appropriate boxes:

For Members holding shares in Demat Form and Physical Form:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in capital) (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

A. Please follow all steps from sl.no (i) to sl.no (xviii) above to cast vote.

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

19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

**By Order of the Board of Directors  
For SRESTHA FINVEST LIMITED**

**Place : Chennai  
Date : 28.08.2019**

**Sd/-  
Kamlesh Parasml  
Whole time Director  
DIN No: 00810823**

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company "Srestha Finvest Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

**Important Communication to Members:** The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies through electronic mode. The Companies are now permitted to send various notices/ documents including annual reports to its Members through electronic mode to their registered e-mail address. To support this initiative of the Government, the Members are requested to notify their e-mail address, including any change thereof, to their DPs (for shares held in dematerialised form) or to the RTA (for shares in physical form) of the Company viz., M/s Purva Sharegistry (India) Pvt. Limited in order to enable the Company to send all the future notices and documents

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No.4: Appointment of Director Mr. Gopal B Ahuja**

Mr. Gopal B Ahuja was appointed as an Independent Director of the Company, not liable to retire by rotation, by the Board of Directors at its meeting held on 31.07.2019 for a period of five years as stated above in resolution subject to the approval of members. Pursuant to Section 161 of the Companies Act, 2013, Mr. Gopal B Ahuja shall hold office up to the date of this AGM and eligible to be appointed as a Director.

It is proposed to appoint him as Director of the Company under the Category of Non-Executive Independent Director not liable to retire by rotation at the forthcoming Annual General Meeting.

Mr. Gopal B Ahuja is having Bachelor degree in Commerce and having Twenty five years in Finance and Accounts management.

Mr. Gopal B Ahuja is not related to any other Director of the Company.

The relevant particulars concerning Mr. Gopal B Ahuja as required are set out in the statement attached to the Notice.

None of the Directors of the Company or Key Managerial Personnel and their relatives have any interest, financially or otherwise, in the proposed resolution.

**Item No.5: Appointment of Director, Mr. Manmohan**

Mr. Manmohan was appointed as an Independent Director of the Company, not liable to retire by rotation, by the Board of Directors at its meeting held on 31.07.2019 for a period of five years as stated above in resolution subject to the approval of members. Pursuant to Section 161 of the Companies Act, 2013, Mr. Manmohan shall hold office up to the date of this AGM and eligible to be appointed as a Director.

It is proposed to appoint him as Director of the Company under the Category of Non-Executive Independent Director not liable to retire by rotation at the forthcoming Annual General Meeting.

Mr. Manmohan is Businessman having vast experience of about 30 years in retail mortgage business. The relevant particulars concerning Mr. Manmohan as required are set out in the statement attached to the Notice.

Mr. Manmohan is not related to any other Director of the Company.

None of the Directors of the Company or Key Managerial Personnel and their relatives have any interest, financially or otherwise, in the proposed resolution.

**Item No.6:**

The Board of Directors had re-appointed Mr. Kamlesh Parasmal as Whole Time Director (whose term expires on 29/11/2019) for a period of five years with effect from date of approval at ensuing AGM subject to compliance of applicable provisions of the Companies Act, 2013 and subject to the approval of the members of the Company as per the terms and conditions. Mr. Kamlesh Parasmal is not related to any other Director of the Company except Mrs. Navitha Jain.

Your Board recommends that his appointment be confirmed by the members of the Company except Mr. Kamlesh Parasmal and Mrs. Navitha Jain, none of the Directors of the Company or Key Managerial Personnel and their relatives have any interest, financially or otherwise, in the proposed resolution.

The approval of the members is sought for the proposed resolutions. The relevant particulars concerning the Directors as required are set out in the statement attached to the Notice.

**By Order of the Board of Directors  
For SRESTHA FINVEST LIMITED**

**Sd/-  
Kamlesh Parasmal  
Whole time Director  
DIN No: 00810823**

**DETAILS OF DIRECTORS SEEKING  
APPOINTMENT/RE-APPOINTMENT AT  
THE ANNUAL GENERAL MEETING  
(Pursuant to SEBI (LODR) Regulations, 2015)**

Name of the Director	MRS NAVITHA JAIN
Age	37 Years
Date of Appointment	09/03/2019
Qualifications	Bachelor Of Commerce
Experience	B.com Graduate, 5 years of Rich Experience in Business Administration
Expertise in specific functional area	Experience in Business Administration
Directorship in other Companies	----
Chairman/Member of Committees of other companies	----
Shareholding in the Company	0.0006%

Name of the Director	MR GOPAL B AHUJA
Age	45 Years
Date of Appointment	29/09/2014
Qualifications	Bachelor Of Commerce
Experience	B.com Graduate, 25 years of Rich Experience in Business Finance and Accounts Management
Expertise in specific functional area	Experience in Business Finance
Directorship in other Companies	----
Chairman/Member of Committees of other companies	----
Shareholding in the Company	----

<b>Name of the Director</b>	<b>MR MANMOHAN</b>
Age	51 Years
Date of Appointment	29/09/2014
Qualifications	Bachelor Of Commerce
Experience	B.com Graduate, 5 years of Rich Experience in Business Administration
Expertise in specific functional area	Experience in Business Finance
Directorship in other Companies	----
Chairman/Member of Committees of other companies	----
Shareholding in the Company	----

<b>Name of the Director</b>	<b>MR KAMLESH PARASMAL</b>
Age	39 Years
Date of Appointment	25/11/2014
Qualifications	Bachelor Of Commerce
Experience	B.com Graduate, 15 years of Rich Experience in Business Finance, Accounts, Taxation and Administration
Expertise in specific functional area	Experience in Business Finance and Taxation laws
Directorship in other Companies	----
Chairman/Member of Committees of other companies	----
Shareholding in the Company	2.00%

**DIRECTOR'S REPORT**

**TO THE MEMBERS OF SRESTHA FINVEST LIMITED**

Your Directors have pleasure in presenting the 34<sup>th</sup> Director's Report of SRESTHA FINVEST LIMITED (the Company) and along with the Audited financial statements for the financial year ended 31st March, 2019.

**1. FINANCIAL RESULTS**

The financial results of the Company for the year ended 31st March 2019 is summarized below:

(Rs in lakhs)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Income from Operations	397.06	306.04
Non-operating Income	0.00	1.06
Total Income	397.06	307.10
Total Expenditure	252.46	147.20
Profit/Loss before Depreciation, Interest and Taxation	144.60	159.90
Interest & Finance Charges	186.05	110.57
Depreciation	1.06	1.64
Profit/Loss before Tax	(42.51)	47.69
Provision for Current Taxes	0.00	15.76
Provision for Deferred Taxes	(0.06)	(0.26)
Profit/Loss after Tax	(42.45)	32.19
Statutory Reserve	0.00	6.39
Balance in Profit & Loss Account	(38.53)	25.80
Balance carried to Balance Sheet	(38.53)	25.80

**2. DIVIDEND**

No Dividend has been declared during the year in order to preserve the resources for future growth of the company.

**3. TRANSFER TO RESERVES**

Due to loss the company has abstained from transfer to any reserves.

**4. OPERATING RESULTS AND BUSINESS OPERATIONS**

During the financial year 2018- 2019, your Company has incurred a loss of Rs.38.53 Lakhs as compared to achieving a profit of Rs.32.19lakhs in previous year 2017-2018.

**5. HUMAN RESOURCES DEVELOPMENT**

The Company has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. Company's Health and Safety Policy commits to provide a healthy and safe work environment to all employees.

**6. DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT**

**WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013 and the rules framed there under. During the financial year 2018-19, No complaints remain pending as of 31st March, 2019.

**7. BUSINESS EXCELLENCE AND QUALITY INITIATIVES**

Your Company continues to be guided by the philosophy of business excellence to achieve sustainable growth

**8. DOCUMENTS PLACED ON THE WEBSITE (www.srestha.co.in)**

The following documents have been placed on the website in compliance with the Act:

- Financial statements along with relevant documents as per third proviso to section 136(1).to section 177(10).

**9. SUBSIDIARY COMPANIES**

Your Company has no subsidiaries. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

**10. CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND LISTING AGREEMENT**

As per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement, entered into with the stock exchanges, Corporate Governance Report with Auditors' certificate thereon and Management Discussion and Analysis report are attached and form part of this report. Various information required to be disclosed under the Act and the Listing Agreement is set out in the **Annexure-I** and forms part of this report.

**11. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 2018-19, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgment sand estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. AUDITORS AND SECRETARIAL AUDITORS REPORT

There are no disqualifications, reservations or adverse remarks or disclaimers in the Auditors and Secretarial Auditors Report.

## 13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Disclosure stipulated as under Section 134(3) of Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is as under :-

1. The Company is not a Manufacturing company nor does the company has any Energy Consumption based business other than normal consumption of Energy in Administrative Office. The company deploys all the possible measure to conserve the energy and increase usage of green energy.
2. The Company is not involved in any Technological Absorption based activities. Hence same is not reportable.
3. The Company has not dealt in any Foreign Exchange in any manner during the year under review. Hence the same is not reportable.

## 14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy Rules are not applicable to the Company during the year under review.

## 15. BOARD EVALUATION

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation. Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors. Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).

The meeting of NRC also reviewed performance of the Chief Financial Officer and Wholetime Director on goals (quantitative and qualitative) set since their appointment during the year.

A separate meeting of the independent directors ("Annual ID meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole performance of the non-independent directors and performance of the Board Chairman.

## 16. DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## 17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board recommends their appointments and accordingly resolutions seeking approval of the members for their appointments/ratifications have been included in the Notice of forthcoming Annual General Meeting of the Company.

Mrs. Navitha Jain, director retires at this general meeting and being eligible offers herself for re-appointment.

Pursuant to the provisions of Section 203 of the Act, the appointment of Mr. Kamlesh Parasmal, Wholetime Director and Chief Financial Officer, Mrs. Navitha Jain (Non – Executive – Non-Independent Director and Ms. Ayushi Sharma, Company Secretary, were formalized as the Key Managerial Personnel of the Company.

## 19. AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s.J.V. Ramanajam & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the this Annual General Meeting (AGM) of the Company till the conclusion of the next AGM to be held in the year 2023, subject to ratification of their appointment at every AGM.

## 20. PARTICULARS OF EMPLOYEES

The information required under section 197 of the Act and rules made there-under, in respect of employees of the Company are disclosed appropriately.

## 21. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

**By Order of the Board of Directors  
For SRESTHA FINVEST LIMITED**

**Sd/-  
Kamlesh Parasmal  
Whole time Director  
DIN No: 00810823**

**ANNEXURE-I****1. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the "Act") is enclosed at **Annexure-Vin** the prescribed form **MGT-9** and forms part of this Report.

**2. NUMBER OF MEETINGS OF THE BOARD**

Five meetings of the Board of Directors of the Company were held during the year. For detail of the meetings, please refer to clause 2(D) of the Corporate Governance Report, which forms part of this Report.

**3. INDEPENDENT DIRECTORS' DECLARATION**

Mr.Manmohanand Mr.Gopal Biharilal Ahuja, who are Independent Directors, have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and Regulation 16 (b) of SEBI Regulations. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

**4. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION**

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered in corporate governance report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed at **Annexure** in the prescribed form **MGT-9** and forms part of this Report.

**5. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Mr. Kamlesh Parasmal, Wholetime Director and forms part of the Annual Report.

**6. RELATIONSHIP BETWEEN DIRECTORS INTER-SE**

None of the Independent Directors are related to each other. However Mrs. Navitha Jain is said to be related to Mr. Kamlesh Parasmal (WTD) within the meaning of the term "relative" as per Section 2(77) of the Act and clause 49(VIII)(E)(2) of the revised listing agreements.

**7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The company being a Non-Banking finance company has advanced loans to the various parties as part of its business activities and also holds investments in its portfolio. The company has not given any guarantee for any loans whatsoever.

**8. TRANSACTIONS WITH RELATED PARTIES**

The Company have no reportable related party transactions. Other necessary disclosures have been appropriately being made elsewhere in annual report wherever required.

**9. INTERNAL CONTROL**

The information about internal controls is set out in the Management Discussion & Analysis report which is attached and forms part of this Report.

**10. RISK MANAGEMENT**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

**11. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Company has practice of conducting familiarization program of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

**12. VIGIL MECHANISM**

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report attached to this Report.

**13. PARTICULARS OF REMUNERATION**

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company during the year from the date of their appointment is follows:-

Salary paid to Whole Time Director	-	246000/- P.A.
CFO Salary	-	212000/- P.A.
Company Secretary Salary	-	125000/- P.A.

**14. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS**

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

**By Order of the Board of Directors  
For SRESTHA FINVEST LIMITED**

**Sd/-  
Kamlesh Parasmal  
Whole time Director  
DIN No: 00810823**

**Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2019**

**(A) Personnel who are in receipt of remuneration aggregating not less than `1,02,00,000' per annum and employed throughout the financial year:**

**NIL**

**(B) Personnel who are in receipt of remuneration aggregating not less than `8,50,000' per month and employed for part of the financial year:**

**NIL**

**By Order of the Board of Directors  
For SRESTHA FINVEST LIMITED**

**Sd/-  
Kamlesh Parasmal  
Whole time Director  
DIN: 00810823**

**ANNEXURE-V**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2019**

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

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	L65993TN1985PLC012047
2	Registration Date	22/07/1985
3	Name of the Company	SRESTHA FINVEST LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office & contact details	NO.35/1, MUTHU KRISHNAN STREET, KONDITHOPE, CHENNAI-600079
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED, NO.9,SHIV SHAKTI IND ESTT, J.R.BORICHA MARG,LOWER PAREL (EAST), MUMBAI-400011

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	FINANCIAL SERVICES	K9	99.59

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NOT APPLICABLE**

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Directors & their									
<b>Sub Total (A) (1)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign	-	-	-	0.00%	-	-	-	0.00%	0.00%
Venture Capital									
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>2. Non-</b>									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	708115	4071500	4,779,615	6.37%	877820	3588300	4,466,120	5.41%	-6.56%

ii) Individual shareholders holding nominal share capital in excess of Rs 2	18067522	2722000	20,789,522	27.72%	20918995	2901250	23,820,245	28.87%	14.58%
c) Others									
Hindu Undivided	1500	21000355	21,001,855	28.00%	23,111,950		23,111,950	28.01%	10.05%
Non Resident	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
Corporate Bodies									
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing	179,720	-	179,720	0.24%	38,469	-	38,469	0.05%	-78.60%
Other Body	727,500	27,521,788	28,249,288	37.67%	30,263,516	799,700	31,063,216	37.65%	9.96%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies -	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>19,684,357</b>	<b>55,315,643</b>	<b>75,000,000</b>	<b>100.00%</b>	<b>75,210,750</b>	<b>7,289,250</b>	<b>82,500,000</b>	<b>100.00%</b>	<b>10.00%</b>
<b>Total Public (B)</b>	<b>19,684,357</b>	<b>55,315,643</b>	<b>75,000,000</b>	<b>100.00%</b>	<b>75,210,750</b>	<b>7,289,250</b>	<b>82,500,000</b>	<b>100.00%</b>	<b>10.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>19,684,357</b>	<b>55,315,643</b>	<b>75,000,000</b>	<b>100.00%</b>	<b>75,210,750</b>	<b>7,289,250</b>	<b>82,500,000</b>	<b>100.00%</b>	<b>10.00%</b>

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumber	
1	NIL		0.00%	-		0.00%	-	0.00%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change): NO CHANGE**

**(iv) Shareholding Pattern of top ten Shareholders**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Reason	Shareholding at the beginning of the		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	Dharam Kirthi Bafna HUF					
	At the beginning of the		11,000,000	14.67%	11,000,000	13.33%
	Changes during the year	Bonus	-	0.00%	1,100,000	1.33%
	At the end of the year		11,000,000	14.67%	12,100,000	14.67%
2	Fat B Advisory And					
	At the beginning of the		10,000,000	13.33%	10,000,000	12.12%
	Changes during the year	Bonus	-	0.00%	1,000,000	1.21%
	At the end of the year		10,000,000	13.33%	11,000,000	13.33%
3	Deepak Kanuga					
	At the beginning of the		10,000,000	13.33%	10,000,000	12.12%
	Changes during the year	Bonus	-	0.00%	1,000,000	1.21%
	At the end of the year		10,000,000	13.33%	11,000,000	13.33%
4	RVB Business Consultancy					
	At the beginning of the		10,000,000	13.33%	10,000,000	12.12%
	Changes during the year	Bonus	-	0.00%	1,000,000	1.21%
	At the end of the year		10,000,000	13.33%	11,000,000	13.33%
5	Rain Tree Holdings Private					
	At the beginning of the		7,500,000	10.00%	7,500,000	9.09%
	Changes during the year	Bonus	-	0.00%	750,000	0.91%
	At the end of the year		7,500,000	10.00%	8,250,000	10.00%
6	Jyothi Bafna					
	At the beginning of the		5,706,500	7.61%	5,706,500	6.92%
	Changes during the year	Bonus	-	0.00%	570,650	0.69%
	At the end of the year		5,706,500	7.61%	6,277,150	7.61%
7	Yeswanti Bai M					
	At the beginning of the		2,966,444	3.96%	2,966,444	3.60%
	Changes during the year	Bonus/Transfer	-	0.00%	116,973	0.14%
	At the end of the year		2,966,444	3.96%	3,083,417	3.74%

8	Brij Bhushan						
	At the beginning of the			2,826,350	3.77%	2,826,350	3.43%
	Changes during the year		Transfer	-	0.00%	(5,494)	-0.01%
	At the end of the year			2,826,350	3.77%	2,820,856	3.42%
9	Dhruv Bhushan						
	At the beginning of the			1,839,000	2.45%	1,839,000	2.23%
	Changes during the year		Bonus	-	0.00%	183,900	0.22%
	At the end of the year			1,839,000	2.45%	2,022,900	2.45%
10	Anju Kumari						
	At the beginning of the			1,749,170	2.33%	1,749,170	2.12%
	Changes during the year		Bonus/Transfer	-	0.00%	175,467	0.21%
	At the end of the year			1,749,170	2.33%	1,924,637	2.33%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Reason	Shareholding at the beginning of the		Cumulative Shareholding during the year		
			No. of shares	% of total shares	No. of shares	% of total shares	
1	KAMLESH PARASMAL						
	At the beginning of the			1,500,000	2.00%	1,500,000	1.82%
	Changes during the year		Allot	-	0.00%	150,035	0.18%
	At the end of the year			1,500,000	2.00%	1,650,035	2.00%

**V. INDEBTEDNESS**

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	175,742,293.00	-	175,742,293.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>175,742,293.00</b>	-	<b>175,742,293.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	41,246,281.00	-	41,246,281.00
* Reduction	-	-	-	-
Net Change	-	41,246,281.00	-	41,246,281.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	216,988,574.00	-	216,988,574.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>216,988,574.00</b>	-	<b>216,988,574.00</b>

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Name	KAMLESH PARASMAL	(Rs/Lac)
		Designation	WHOLE TIME DIRECTOR	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			2.46
	Total (A)			2.46
	Ceiling as per the Act			

B. Remuneration to other Directors: NIL

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name			(Rs/Lac)
		Designation	CEO	CFO	CS
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2.12	1.25	3.37
	Total		2.12	1.25	3.37

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

NIL

## MANAGEMENT DISCUSSION AND ANALYSIS

## A. INDUSTRY STRUCTURE AND DEVELOPMENTS

Srestha Finvest Limited is a non-banking finance company and with opening up of reforms being expected in the NBFC sector the company is now poised to grow, building a reputation of quality, craftsmanship and expertise. Your company currently operating in the finance, Loans, investment, Consultancy, dealing in securities activity and it anticipates there appears to be huge potential for growth.

## Opportunities, Threats, Risks and Concerns

In a dynamic industry such as financial sector the company has added opportunities and risks and is inherent aspect of business. The opportunities which the company is looking to harness are as mentioned below:

- Opening up of financial sector reforms in India
- Fast growing requirement for Industrial clusters leading to credit demand.
- Monetary measures of the government tightening the credit line from banks would open doors for non banking finance companies to explore those avenues.

The company's business, results of operations and financial condition are affected by number of risks, so the risk management function is of paramount importance and integral to the functioning of the company. The objective of the risk management strategy includes ensuring that critical risks are identified, monitored and managed effectively in order to protect the company's business.

## Segment wise / product wise performance

The company has currently only one segment financial sector in line with the accounting standard on segment reporting (AS-17).

## OUTLOOK

India is among one of the most observed emerging markets. Implementation of policies and reforms by the Government would help sector grow at faster phase.

## Financial Performance

The Company foresees a better business prospects in the year 2018-2019.

## Internal Control System and Adequacy

The Company has adequate system of internal control in place. This is to ensure that assets are safeguarded and all transactions are authorized, recorded and correctly reported. The top management and the Audit Committee of the Board review the findings and recommend to the Board improvement on the same.

## Cautionary Statement

*This Report is based on the current situation, past experience and information available to the Company about its various businesses and assumptions regarding economic and industrial scenario, Governmental and other regulatory policies. The Performance of the Company is, to a great extent, dependent on these factors. The future performance may be materially influenced by the changes in any of these factors, which are beyond the control of the Company and may affect the views expressed in or perceived from this Report. Therefore the investors are requested to make their own independent judgments by taking into account all relevant factors before any investment decision.*

## 1. Company's practice on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organization. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all. Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself with the best standards of Corporate Governance, not only in form but also in spirit. Good Governance practices stem from the dynamic culture and positive mindset of the organization. The Corporate Governance guidelines are in compliance with the requirements of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges.

## Corporate Governance Practices

## 1.1 Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board reviews / include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operation plans and capital allocation and budgets. In addition, the Board reviews the business plans of Strategic Businesses. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee and conduct of Secretarial Audit and Secretarial Standards as per guidelines of ICSI and Companies Act, 2013 (Act).

## 1.2 Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meetings. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the company and regulatory authorities. All the Directors of the Company have access to the services of the Company Secretary. The Company Secretary ensures that all the decisions and observations of the Board are covered and implemented through Action Taken Report (ATR) and Board is apprised of the actions taken.

### 1.3 Selection and Appointment of New Directors on the Board

Considering the requirements of the skill-sets on the Board and the broad guidelines, persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of other companies by such persons is also considered.

#### 1.4 Selection criteria of Board Members

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth. The members are not related to any Executive or Independent Director.

#### 1.5 Familiarization Program of Independent Directors

The Independent directors of company are personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wide range of experience. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

#### 1.6 Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 as adopted by the Company, a Securities Dealing Code for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All the designated employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company shares. The aforesaid Code is available at the website of the Company [www.srestha.co.in](http://www.srestha.co.in).

#### 1.7 Vigil Mechanism

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Ethics Counselor/Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the company

## 2. Board of Directors

The Company has a Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. Directors are provided with well-structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting. During the year, information as per Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations has been placed before the Board for its consideration from time to time as and when required. Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings.

#### (A) Composition of Board

The present Board of the Company consists of one Executive Director and three Non-Executive Directors including one woman directors. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints. All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

#### (B) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors were not paid sitting fee. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees to them during the year 2018-19. Independent Directors are not serving as Independent Directors in any or more than seven listed companies.

#### (C) Performance evaluation of Independent Directors:

The Nomination and Remuneration Committee evaluates the performance of Independent Directors and recommends sitting fees paid for each Board and committee meetings attended by them. The evaluation mechanism of Independent Directors is detailed in Directors Report.

#### (D) Other provisions as to Board and Committees

The Board comprises of Mr. Manmohan as Non-Executive Independent Chairman, Mr. Kamlesh Parasmalas Whole time Director and Chief Financial Officer, Mrs. Navitha Jain as Non-Executive Non-Independent Director and Mr. Gopal B Ahuja as Independent Director.

During the year 2018-19, 5 meetings of the Board of Directors were held on 11/05/2018, 10/07/2018, 11/08/2018, 13/11/2018, 12/02/2019. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2019 have been made by the Directors as per SEBI (LODR) Regulations, 2015. Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 22/06/2018, with particulars of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31<sup>st</sup> March, 2019 are given below:

## SRESTHA FINVEST LIMITED

Name	Category	Other Directorships <sup>†</sup> as on 31st March 2019	Number of Committee Membership <sup>**</sup> in other Companies as on 31st March 2019 <sup>**</sup>	Number of Committee Chairmanship <sup>**</sup> in other Companies as on 31st March 2019
Mrs Navitha Jain	Non Executive, Non Independent Director	-	Nil	Nil
Shri. Kamlesh Parasmal	Whole Time Director	-	Nil	Nil
Shri Manmohan	Chairman, Independent Director	-	Nil	Nil
Shri Gopal Biharil Ahuja	Independent Director	-	Nil	Nil

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 22/06/2018, with particulars of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31<sup>st</sup> March, 2019 are given below:

Name	Category	Number of Board Meetings during the year 2018-19		Whether attended last AGM
		Held	Attended	Yes / No
Mrs Navitha Jain	Non Executive Non Independent Director	5	5	Yes
Shri Kamlesh Parasmal	Whole Time Director	5	5	Yes
Shri Manmohan	Chairman, Independent Director	5	5	Yes
Shri Gopal Biharil Ahuja	Independent Director	5	5	Yes
Mrs Sonal B	Independent Director	5	3	Yes

Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit, Stakeholders Relationship and Nomination and Remuneration Committees of public limited companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

Except Mrs.Navitha Jain being related to Kamlesh Parasmal, No Director of the Company is related to any other Director of the Company.

### (E) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for Non-Executive Directors, Independent Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - [www.srestha.co.in](http://www.srestha.co.in).

(ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31st March, 2019. The Annual Report of the Company contains a Certificate by the Wholetime Director in terms of Regulation 17 (3) of the Listing Regulations based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

## 3. Board Committees

### 3.1 Audit Committee

#### (A) Qualified and Independent Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of the three Non-Executive Directors, two of them are Independent Directors and one being a non independent director;
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 22/06/2018.

#### (B) Terms of reference

The terms of reference of the Audit Committee include inter-alia:

- To review the quarterly, half yearly and Annual financial results of the Company before submission to the Board
- To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.
- To review the accounting and financial policies and practices.
- To review the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow – up action is taken.
- To examine the accountancy, taxation and disclosure aspects of all the significant transactions.



**(C) Composition, names of Members and Chairperson, its meetings and attendance:**

The composition of the Committee is Mr. Manmohan – Chairman (w.e.f. 12.02.2019) Mr. Gopal B Ahuja, Mrs. Sonal Band Mrs.Navitha Jain as members of the Committee. During the year, Four Audit Committee meetings were held on 11/05/2018, 11/08/2018, 13/11/2018 & 12/02/2019.

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held during FY 2018-19	Meetings attended
Mr. Gopal Biharilal Ahuja	Independent	4	4
Mr. Manmohan	Independent	4	4
Mrs. Sonal B	Independent	4	4
Mrs. Navitha Jain	Non Independent	0	0

The Committee meetings are attended by invitation by the Wholetime Director, CFO, the representatives of Statutory Auditors and representatives of the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

**3.2 Nomination and Remuneration Committee**

**(A) Constitution**

The Nomination and Remuneration Committee comprises of Mr. Gopal Biharilal Ahuja as Chairman (w.e.f. 09.03.2019), Mrs. Sonal B and Mr. Manmohan, Mrs.Navitha Jain as Members of the Committee.

**(B) Terms of reference**

Terms of reference of the Nomination and Remuneration Committee include:

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

The role of the Remuneration Committee is

- a) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down
- b) To recommend to the Board the appointment and removal of such identified persons
- c) To carry out evaluation of every director's performance
- d) To formulate the criteria for determining qualifications, positive attribute and independence of director
- e) To formulate a policy relating to remuneration for directors, key managerial personnel and other employees.

**(C) Meetings and attendance during the year:**

During the year, four meetings of Nomination and Remuneration Committee were held on 11/05/2018, 11/08/2018, 13/11/2018 & 12/02/2019.

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held during FY 2018-19	Meetings attended
Mr. Manmohan	Independent	4	4
Mr. Gopal Biharilal Ahuja	Independent	4	4
Mrs. Sonal B	Independent	4	4
Mrs. Navitha Jain	Non Independent	0	0

**(D) Remuneration policy**

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavors to attract, retain, develop and motivate a high performance workforce.

**(E) Remuneration to wholetime Director**

(a) Mr. Kamlesh Parasmal is the Wholetime Director (WTD) of the Company. The salary, benefits and perquisites paid to Mr. Kamlesh Parasmal WTD during the year 2018-19 were Rs.2.46 Lakhs P.A.

**(F) Remuneration to Non-Executive Directors**

(a) The Non-Executive Directors are entitled to sitting fee for attending the Board/Committee Meetings. Sitting fee for attending each meeting of the Board, Audit and Nomination, Remuneration Committee and Executive Committee Meeting was paid to the Non-Executive Directors during the year under review.

The Board considered the performance of the Non-Executive Directors based on their attendance and contribution at the Board and Committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

**3.3 Stakeholders Relationship Committee**

**(A) Composition, Members, its meetings and attendance**

Stakeholders Relationship Committee comprises of Mr. Gopal Biharilal Ahuja as Chairman (w.e.f. 09.03.2019), Mrs. Navitha Jain, Mr. Manmohan and Mrs. Sonal B as members of the Committee.

The Committee is set up to monitor the process of share transfer, issue of fresh Share Certificates as well as review and redressal of investors/shareholders grievances. The Committee would also recommend measures for overall improvement of the quality of Investor services.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities once in a fortnight.

During the year, 4 meetings of the Stakeholders Relationship Committee were held on 11/05/2018, 11/08/2018, 13/11/2018 & 12/02/2019. The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held during FY 2018-19	Meetings attended
Mr. Gopal Biharilal Ahuja	Independent	4	4
Mr. Manmohan	Independent	4	4
Mrs. Sonal B	Independent	4	4
Mrs. Navitha Jain	Non Independent	0	0

**(B) Name and Designation of the Compliance Officer**

Mrs. Ayushi Sharma, Company Secretary has been designated as Compliance Officer of the Company w.e.f. 05.03.2019 in line with the requirement of SEBI (LODR) 2015 with the Stock Exchanges and can be contacted at:

SresthaFinvest Ltd  
 No.35/1,Muthu Krishnan Street, Kondithope,  
 Chennai-600079  
 Ph : 044-25206006, email : srestha.info@gmail.com

**(C) Complaints received and redressed during the year 2018-19**

Opening Balance	Received during the year 2018-19	Resolved	Closing Balance
NIL	2	2	NIL

Pursuant to Regulation 40 (9) of the SEBI (LODR) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

**(D) Suspense Account for the unclaimed shares**

Pursuant to Regulation 34(3) of and Schedule V Part F of SEBI Listing Regulations, the requisite information as per aforesaid Clause is given below:

**NIL**

**(E) Transfer of Unclaimed Dividend to IEPP**

**NIL**

**(F) Unclaimed Dividend**

**NIL**

**3.4 Independent Directors Meeting**

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Meeting was held on 11/05/2018.

**3.5 Corporate Social Responsibility (CSR) Committee**

Pursuant to Section 135 of the Companies Act, 2013, Currently the CSR clause is not applicable to the company during the year under review.

**3.6 Executive Committee**

**(A) Composition of Executive Committee and terms of reference, its meetings and attendance:**

Presently the Executive Committee comprises of Mr. Manmohan as Chairman and Mr. Kamlesh Parasmasl, Mr. Gopal Biharilal Ahuja as members of the Committee.

**(B) Terms and reference of the Executive Committee:**

- Long term financial projections and cash flows;
- Capital and Revenue Budgets and Capital Expenditure Programs;
- Acquisitions, divestment and business restructuring proposals.

During the year, 1 Executive Committee meeting was held on 22/06/2018 and all the members had attended the meeting.

**4. Subsidiary Company**

(i) The Company does not have any Indian Subsidiary Company.

**5. Disclosures**

**(A) Basis of related party transactions**

- (i) The statements containing the transactions with related parties (if any) were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.
- (iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

**(B) Disclosure of Accounting Treatment**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to extent and IND AS to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

**(D) Proceeds from public issues, right issues, preferential issues etc.**

The Company did not have any of the above issues during the year under review.

**(E) Secretarial Audit Report**

The Company has obtained Secretarial Audit Report on quarterly/Annual basis from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Annual Secretarial Audit Report is annexed.

**(F) Secretarial Standards**

The Company during the year under review has undertaken the audit for compliance of Secretarial Standards and procedures followed by the Company in compliance with Secretarial Standards on Annual General meeting and Board Meeting issued by Institute of Company Secretaries of India. The Secretarial Standards Report is published elsewhere forming a part of this Report.

**(G) Management Discussion and Analysis Report**

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

**(H) Shareholders**

- (i) The quarterly results and presentations made by the Company to analysts are put on the Company's website [www.srestha.co.in](http://www.srestha.co.in) under the Investors Requirements Section.
- (ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant.

**6. CEO and CFO Certification**

The Wholtime Director and CFO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of Listing Regulations.

**7. Compliance on Corporate Governance**

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

**8. General Body Meetings**

**(A) Location and time of General Meetings held in the last 3 years:**

Year Resolution	Date	Venue of Meeting	Time	Whether any Special passed in previous AGM
2015-2016	30.09.2016	No.35 Muthu Krishnan Street, Chennai - 600079	10.00 AM	Two
2016-2017	28.09.2017	No.35 Muthu Krishnan Street, Chennai - 600079	10.00 AM	One
2017-2018	22.06.2018	SamudayaKalaKoodam, Vallanur, Ambattur, Chennai - 600062	10.00 AM	

**(B) Special Resolution Passed at Court Convened Meeting: NA**

No Special Resolution was passed

**9. Means of Communication**

The Company's website is a comprehensive reference on Srestha's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Patterns, information relating to Stock Exchanges, Registrars & Share Transfer Agents.

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, after the Board Meeting and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Any website where displayed - Yes, the results are displayed on the Company's website [www.srestha.co.in](http://www.srestha.co.in) under Investor Relations Section

**10. General Shareholder Information**

**Annual General Meeting:**

**(i) Date, time and Venue :** 27/09/2019 , 10.00 AM  
Srestha Finvest Ltd,  
No. 35/1, Muthu Krishnan Street, Kondithope,  
Chennai, Tamil Nadu – 600079.

**(ii) Financial Year :** 1st April, 2018 to 31st March, 2019

-For the year ended 31<sup>st</sup> March 2019, results were announced on

First Quarter 30<sup>th</sup> June 2018 : on or before 14<sup>th</sup> August 2018

Half Year 30<sup>th</sup> September 2018 : on or before 14<sup>th</sup> November 2018

Third Quarter 31<sup>st</sup> December 2018 : on or before 14<sup>th</sup> February 2019

Annual 31<sup>st</sup> March 2019 : on or before 30<sup>th</sup> May 2019

(Audited Results)

-For the year ending 31<sup>st</sup> March, 2020 results will be announced as follows

**Unaudited Financial Results:**

First Quarter ending 30th June' 2019 : on or Before 14.08.2019

Half Year ending 30th Sept' 2019 : on or Before 14.11.2019

Third Quarter ending 31st Dec' 2019 : on or Before 14.02.2020

Fourth Quarter ending 31st Mar\* 2020\* : on or Before 30.04.2020

\* Audited results for the Financial Year 2019-2020 shall be published before end of 30 May'20.

**(i) Date of Book Closure :** 21/09/2019 to 27/09/2019 (both days inclusive)

**(ii) Dividend:** Nil.

**(iii) Dividend Payment Date :** NA.

**(iv) Listing**

The Stock Exchanges on which the Company's shares are listed:

- The Metropolitan Stock Exchange of India Limited–MSEI
- Bombay Stock Exchange Limited (BSE)

**(vii) Stock Code**

The Bombay Stock Exchange Limited: SRESTHA

The Metropolitan Stock Exchange of India Limited: SRESTHA

The ISIN of the Company for its shares: INE606K01023

SCRIP CODE: SRESTHA

**(viii) Market price information**

- a. The reported high and low closing prices during the year ended 31st March, 2019 on the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

**Company : Srestha Finvest Ltd 539217**

Period: 01-Apr-2018 to 31-Mar-2019

All Prices in Rs.

Date	Open	High	Low	Close	WAP	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Del. Qty to Traded Qty	*Spread	
											H-L	C-O
2/04/18	13.15	13.75	12.90	13.40	13.25	61,297	200	8,12,449	11,961	19.51	0.85	0.25
3/04/18	13.65	13.80	12.95	13.32	13.42	36,131	50	4,84,831	24,342	67.37	0.85	-0.33
4/04/18	13.50	13.85	12.81	13.59	13.45	2,53,152	159	34,04,948	1,88,115	74.31	1.04	0.09
5/04/18	13.25	13.90	13.22	13.58	13.50	1,71,654	91	23,16,920	63,503	36.99	0.68	0.33
6/04/18	12.80	14.40	12.60	14.07	13.74	67,457	114	9,26,540	34,842	51.65	1.80	1.27
9/04/18	14.00	14.75	13.05	14.36	13.72	1,03,781	218	14,24,338	35,950	34.64	1.70	0.36
10/04/18	13.50	14.98	13.10	13.59	13.91	87,172	97	12,12,656	33,297	38.20	1.88	0.09
11/04/18	13.50	13.90	13.50	13.62	13.68	45,612	32	6,23,816	18,301	40.12	0.40	0.12
12/04/18	13.70	14.36	12.75	13.48	13.58	24,914	92	3,38,388	11,743	47.13	1.61	-0.22
13/04/18	13.25	13.49	12.32	12.62	13.07	17,177	52	2,24,459	4,896	28.50	1.17	-0.63
16/04/18	12.75	13.79	11.71	12.21	12.65	35,801	81	4,52,965	31,534	88.08	2.08	-0.54
17/04/18	12.20	13.40	10.99	11.21	11.79	22,997	83	2,71,150	10,581	46.01	2.41	-0.99
18/04/18	11.21	12.24	10.09	10.19	10.93	1,11,497	195	12,18,526	55,276	49.58	2.15	-1.02
19/04/18	10.25	10.67	9.70	10.37	10.17	39,196	108	3,98,485	28,189	71.92	0.97	0.12
20/04/18	10.40	10.88	10.21	10.73	10.57	29,612	60	3,12,984	16,836	56.86	0.67	0.33
23/04/18	11.00	11.20	10.63	11.16	11.05	48,918	32	5,40,715	42,066	85.99	0.57	0.16
24/04/18	11.30	11.64	10.80	11.27	11.18	27,144	88	3,03,343	11,985	44.15	0.84	-0.03
25/04/18	11.65	11.82	10.85	11.65	11.51	1,82,012	178	20,95,371	1,04,676	57.51	0.97	0.00
26/04/18	11.28	12.20	11.20	11.99	11.75	66,085	91	7,76,602	16,439	24.88	1.00	0.71
27/04/18	11.57	12.50	11.56	12.39	12.14	1,03,514	118	12,56,220	35,311	34.11	0.94	0.82
30/04/18	12.40	12.85	11.95	12.58	12.23	62,159	179	7,60,199	25,536	41.08	0.90	0.18
2/05/18	12.60	12.78	12.12	12.70	12.70	2,11,239	74	26,81,716	1,77,858	84.20	0.66	0.10
3/05/18	12.35	12.99	12.15	12.69	12.52	65,320	48	8,17,774	943	1.44	0.84	0.34
4/05/18	12.50	12.64	12.06	12.06	12.17	74,137	145	9,02,309	30,019	40.49	0.58	-0.44
7/05/18	12.14	12.65	11.46	11.60	11.75	39,452	165	4,63,379	28,849	73.12	1.19	-0.54
8/05/18	11.55	11.98	11.20	11.89	11.57	12,683	35	1,46,703	7,052	55.60	0.78	0.34

\* Spread

H-L : High-Low

C-O : Close-Open

**(ix) Registrars and Share Transfer Agents**

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents quoting their Folio Number, Client ID and DP ID at the following address:

M/s. Purva Sharegistry (India) Private Limited, No.9, Shiv Shakti Ind. Estt, J.R.BorichaMarg, Lower Parel (East), Mumbai-400011

**(x) Shareholding as on 31st March, 2019**

**(a) Distribution of shareholding as on 31st March, 2019**

The Distribution of Shareholding as at 31<sup>st</sup> March, 2019  
 Total Authorised Value Rs. 16,50,00,000, Nominal value of each share Rs.2/-  
 Total Paid – up Value Rs.16,50,00,000 , Paid up value per share is Rs.2/-  
 Total number of shares- 8,25,00,000 Distinctive Nos. 0000001 to 8,25,00,000

**(b) Shareholding pattern as on 31st March, 2019**

S.No	Category	No. of Shares Held	Percentage of Shareholding
<b>A</b>	<b>Promoter's Holding</b>		
a	Promoters	-	0.00
b	Persons acting in Concert	-	0.00
	<b>Sub Total</b>	-	0.00
<b>B</b>	<b>Non Promoters Holding</b>		
a	Fils	Nil	Nil
b	Private Body Corporate	31063216	37.65
c	Indian Public	28286365	34.28
d	NRI / OCB	Nil	Nil
e	Others	Nil	Nil
f	Clearing Members	38469	0.05
g	Hindu Undivided Family	23111950	28.02
h	Shares represented by GDRs	Nil	Nil
	<b>Sub Total</b>	82500000	100
	<b>Grand Total</b>	82500000	100

**(C) Capital of the Company**

The Authorized and Paid-Up Capital of your Company is `16.50 crore' and `16.50 crore' respectively.

**(xi) Dematerialisation of shares and liquidity**

75210750 shares of 82500000 the equity shares have been dematerialized by about 91.16% of the total shareholders as on 31st March, 2019. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories.

**(x) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**(xi) Plant locations**

The Company is not a manufacturing unit and thus not having any Plant.

**(xiv) Address for correspondence**

The Company Secretary  
 SresthaFinvest Ltd,  
 No.35/1, Muthu Krishnan Street, Kondithope,  
 Chennai - 600079. Email : [srestha\\_info@gmail.com](mailto:srestha_info@gmail.com)

**11. Reconciliation of Share Capital**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

**12. Details of mandatory requirement of listing Agreement**

**CERTIFICATE BY CHIEF FINANCIAL OFFICER  
(Under Regulation 17 of Listing Regulations)**

I, Kamlesh Parasmal, Chief Financial Officer of Srestha Finvest Limited, certify that –

- (a) I had reviewed financial statements and the cash flow statement for the year ended **31.03.2019** and that to the best of their 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) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I had evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I had disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**By Order of the Board of Directors  
For SRESTHA FINVEST LIMITED**

**Place : Chennai  
Date : 30-05-2019**

**Sd/-  
Kamlesh Parasmal  
Chief Financial Officer**

**COMPLIANCE CERTIFICATE****TO THE MEMBERS OF SRESTHA FINVEST LIMITED**

1. I have examined the compliance of conditions of Corporate Governance by Srestha Finvest Ltd ("the Company"), for the year ended on 31st March, 2019, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the stock exchanges.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementations 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.

3. In my opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

4. I further state that such compliance 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.

**For J.V. Ramanajam & Co  
Chartered Accountants  
Firm Regn. No. 029475  
Sd/-**

**Sri Narayana Jakhotia  
Proprietor  
(Membership No. 233192)**

**Chennai  
Date: 30/05/2019**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT****PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – [www.srestha.co.in](http://www.srestha.co.in). Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31st March, 2019.

**By Order of the Board of Directors  
For SRESTHA FINVEST LIMITED**

**Place : Chennai  
Date : 30.05.2019**

**Sd/-  
Kamlesh Parasmal  
Whole time Director  
DIN No: 00810823**

**SECRETARIAL AUDIT REPORT****To the Members SRESTHA FINVEST LIMITED**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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 **Srestha Finvest Limited** ("the Company") for the financial year ended on 31st March, 2019 according to the provisions as applicable to the Company during the period of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014. **Not Applicable**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to

the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **Not Applicable**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **Not Applicable**;

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:

1. The Information Technology Act, 2000
2. Policy relating to Software technology Parks of India and its regulations
3. The Indian Copyright Act, 1957
4. The Patents Act, 1970
5. The Trade Marks Act, 1999

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. Not applicable for the financial year 2018-2019.

(ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed.

*During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except the following:*

*The company has reported Non Compliance of Regulation 95 (1) of SEBI (ICDR) Regulations, 2009 for delay of six days wherein the Stock Exchanges had imposed penalty of Rs. 141600/-*

*However the company has duly remitted the said amount and complied with accordingly.*

**If 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 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 ensure compliance with applicable laws, rules, regulations and guidelines.

**For AXN Prabhu & Associates  
Company Secretaries**

**Place :- Chennai  
Date :- 30/05/2019**

**Sd/-  
AXN Prabhu  
Proprietor  
Membership No. PCS11440**

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

**ANNEXURE-A****SECRETARIAL STANDARDS REPORT**

To  
The Members,  
SresthaFinvest Limited  
No 35/1 Muthu Krishnan Street  
Chennai 600079.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc..

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For AXN Prabhu & Associates  
Company Secretaries**

Place :- Chennai  
Date :- 30/05/2019

Sd/-  
AXN Prabhu  
Proprietor  
Membership No. PCS11440

To  
The Board of Directors  
Srestha Finvest Limited  
No 35/1 Muthu Krishnan Street  
Chennai 600079.

I have examined the relevant registers, records and documents maintained by Srestha Finvest Limited. ("the Company") for the financial year ended March 31, 2019 for compliances of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to Meetings of the Board of Directors (SS1) and General Meetings (SS2) as applicable during the Financial Year 2018-2019.

The management has voluntarily decided to adhere to the Secretarial Standards and comply with the same. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the above said Secretarial Standards.

In my opinion and to the best of my information and according to the explanation given and documents/papers furnished to me, I report that the Company has complied with applicable Secretarial Standards relating to Meetings of the Board of Directors (SS1) and General Meetings (Ss2).

**For AXN Prabhu & Associates  
Company Secretaries**

Place :- Chennai  
Date :- 30/05/2019

Sd/-  
AXN Prabhu  
Proprietor  
Membership No. PCS11440

**INDEPENDENT AUDITOR'S REPORT****To the Members of SRESTHA FINVEST LIMITED****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Srestha Finvest Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information referred to as Standalone Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, (changes in equity) 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's report, Management discussion and analysis and Report on corporate governance, 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 no 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under

section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements****Annexure A to Independent Auditors' Report**

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 Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

(c) [The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.]

(d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us].

(e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) 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 no pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For J V RAMANUJAM & Co.,  
Chartered Accountants  
FRN: 02947S**

**Place : Chennai  
Date: May 30, 2019**

**Sd/-  
SRI NARAYANA JAKHOTIA  
Partner  
M. No. 233192**

**(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of Srestha Finvest Limited, ("the company"), for the year ended March 31, 2019)**

i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment (PPE).

(b) According to the information and explanations given to us, physical verification of PPE is being conducted in a phased manner by the management under a programme designed to cover all the PPE every year, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, the PPE has been physically verified by the management during the year and no material discrepancies between the books records and the physical PPE have been noticed.

(c) There are no immovable properties in the name of the company.

ii) There are no inventories in the company during the year.

iii) According to the information given to us, the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clauses (iii) (a), (iii) (b) and (iii) (c) of Paragraph 3 of the Order are applicable to the Company.

iv) The Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

v) The Company has not accepted any deposits from public during the year hence the directives issued by the RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2015, are not applicable.

vi) The Company is not required to maintain cost records pursuant to the rules made by the Central Government for maintenance of Cost Records under sub-section (1) of section 148 of the Act.

vii) (a) According to the information and explanations given to us, in due opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues with respect to Excise Duty, and Sales Tax which has not been deposited with the appropriate authorities on account of any dispute.

viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, or dues to debenture holders.

ix) Based on our audit procedures and according to the information and explanations given to us, the Company did not raise any money by way of further public offer (including debt instruments) and Term Loans during the year.

x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, on fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our Audit.

xii) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

xiii) In our Opinion, the Company is not a Nidhi Company. Therefore clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

xiii) In our Opinion, 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) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, and therefore clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

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

xvi) In our opinion and according to the information and explanations given to us, the Company is carrying on the business of NBFC and is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has duly registered with RBI and complied with the applicable regulations in this regard.

**For J V RAMANUJAM & Co.,  
Chartered Accountants  
FRN: 02947S**

**Sd/-**

**SRI NARAYANA JAKHOTIA  
Partner  
M. No. 233192**

**Place : Chennai  
Date: May 30, 2019**

**"ANNEXURE B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Srestha Finvest Limited**

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

We have audited the internal financial controls over financial reporting of M/s Srestha Finvest Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company; 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 on March 31, 2019, 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 and jointly controlled companies, which are companies incorporated in India, as of that date.

**For J V RAMANUJAM & Co.,  
Chartered Accountants  
FRN: 02947S**

**Sd/-**

**SRI NARAYANA JAKHOTIA  
Partner  
M. No. 233192**

**Place : Chennai  
Date: May 30, 2019**

## ANNEXURE-V

## SRESTHA FINVEST LIMITED

SRESTHA FINVEST LIMITED

NO.35/1, MUTHU KRISHNAN STREET, KONDITHOPE, CHENNAI-600079

CIN: L65993TN1955PLC012047

Email: srestha.info@gmail.com

Phone No.: 044-2526006

**BALANCE SHEET as at March 31, 2019**

₹ (In Rs.)

	Note	31 March 2019	31 March 2018
<b>Assets</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3	28,124,753	14,423,670
(b) Bank Balance other than (a) above		-	-
(c) Derivative financial instruments		-	-
(d) Receivables			
(I) Trade Receivables		-	-
(II) Other Receivables	4	125,248	1,270,000
(e) Loans	5	363,768,764	341,958,542
(f) Investments	6	6,885,740	-
(g) Other Financial assets (to be specified)	7	250,684	1,325,467
<b>(2) Non-Financial Assets</b>			
(a) Inventories		-	-
(b) Current tax assets (Net)		-	-
(c) Deferred tax Assets (Net)	8	73,868	68,039
(d) Investment Property		-	-
(e) Biological assets other than bearer plants		-	-
(f) Property, Plant and Equipment	9	155,566	261,713
(g) Capital work-in-progress		-	-
(h) Intangible assets under development		-	-
(i) Goodwill		-	-
(j) Other Intangible assets		-	-
(k) Other non-financial assets (to be specified)	10	853,125	937,500
<b>Total assets</b>		<b>400,237,748</b>	<b>363,244,931</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Derivative financial instruments		-	-
(b) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small		-	-
(ii) total outstanding dues of creditors other than micro	11	221,128	995,739
(c) Debt Securities			
(d) Borrowings (Other than Debt Securities)	12	216,988,574	175,742,293
(e) Deposits		-	-
(f) Subordinated Liabilities		-	-
(g) Other financial liabilities (to be specified)		-	-
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)		-	-
(b) Provisions	13	2,903,086	3,261,880
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-financial liabilities (to be specified)	14	1,844,581	1,111,670
<b>(3) Equity</b>			
(a) Equity share capital	15	165,000,000	150,000,000
(b) Other equity	16	13,280,379	32,133,349
<b>Total equity and liabilities</b>		<b>400,237,748</b>	<b>363,244,931</b>

The accompanying notes form an integral part of the financial statements.

1 to 26

As per our Report of even date

For J.V. Ramanajam & Co.,  
Chartered Accountants  
FRN No.02947S

For and on behalf of the Board of  
Srestha Finvest Limited

Chennai  
30/May/19

Sd/-  
Sri Narayana Jakhota  
PARTNER  
M No 233192

Sd/-  
Kamlesh Parasmal  
Wholetime Director/ CFO  
DIN: 00810823

Sd/-  
Navitha Jain  
Director  
DIN: 07492584

## ANNEXURE-V

## SRESTHA FINVEST LIMITED

SRESTHA FINVEST LIMITED

NO.351, MUTHU KRISHNAN STREET, KONDITHOPE, CHENNAI 600079

CIN L68993TN1905PL3 12047

Email: srestha.info@gmail.com

Phone No.: 044-25206006

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2019

₹ (In Rs.)

	NOTE	2018-2019	2017-2018
<b>Revenue from operations</b>			
(i) Interest Income	17	39,626,830	30,709,732
(ii) Dividend Income	18	79,600	-
(iii) Rental Income		-	-
(iv) Fees and commission Income		-	-
(v) Net gain on fair value changes		-	-
Net gain on derecognition of financial instruments under amortised cost category		-	-
(vi) Sale of products(including Excise Duty)		-	-
(vii) Sale of services		-	-
(ix) Others (to be specified)		-	-
(I) <b>Total Revenue from operations</b>		<b>39,706,430</b>	<b>30,709,732</b>
(II) Other Income (to be specified)		-	-
(III) <b>Total Income (I-II)</b>		<b>39,706,430</b>	<b>30,709,732</b>
<b>Expenses</b>			
(i) Finance Costs	19	18,605,000	11,056,740
(ii) Fees and commission expense		-	-
(iii) Net loss on fair value changes		-	-
(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
(v) Impairment on financial instruments		-	-
(vi) Cost of materials consumed		-	-
(vii) Purchases of Stock-in-trade		-	-
(viii) Changes in Inventories of finished goods, stock-in-trade and work-in- progress		-	-
(ix) Employee Benefits Expenses	20	4,518,713	4,249,595
(x) Depreciation, amortization and impairment	9	106,147	164,162
(xi) Others expenses (to be specified)	21	20,727,413	10,470,475
(IV) <b>Total Expenses (IV)</b>		<b>43,957,273</b>	<b>25,940,972</b>
(V) <b>Profit / (loss) before exceptional items and tax (III- IV)</b>		<b>(4,250,843)</b>	<b>4,768,760</b>
(VI) Exceptional items		-	-
(VII) <b>Profit/(loss) before tax (V -VI)</b>		<b>(4,250,843)</b>	<b>4,768,760</b>
(VIII) Tax Expense:			
(1) Current Tax		-	1,576,138
(2) Deferred Tax		(5,829)	(26,073)
(IX) <b>Profit / (loss) for the period from continuing operations(VII-VIII)</b>		<b>(4,245,014)</b>	<b>3,218,695</b>
(X) Profit/(loss) from discontinued operations		-	-
(XI) Tax Expense of discontinued operations		-	-
(XII) Profit/(loss) from discontinued operations(After tax) (X-XI)		-	-
(XIII) <b>Profit/(loss) for the period (IX+XII)</b>		<b>(4,245,014)</b>	<b>3,218,695</b>
(XIV) Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Subtotal (A)</b>		<b>-</b>	<b>-</b>
(B) (i) Items that will be reclassified to profit or loss			
Gain on Fair value of Equity Instruments		392,044	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>392,044</b>	<b>-</b>
Other Comprehensive Income (A + B)		392,044	-
(XV) <b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>(3,852,970)</b>	<b>3,218,695</b>
(XVI) <b>Earnings per equity share (for continuing operations)</b>			
Basic (Rs.)		(0.05)	0.04
Diluted (Rs.)		(0.05)	0.04
(XVII) <b>Earnings per equity share (for discontinued operations)</b>			
Basic (Rs.)		-	-
Diluted (Rs.)		-	-
(XVIII) <b>Earnings per equity share (for continuing and discontinued operations)</b>			
Basic (Rs.)		(0.05)	0.04
Diluted (Rs.)		(0.05)	0.04

The accompanying notes form an integral part of the financial statements.  
As per our Report of even date

1 to 26

For J.V. Ramanujam & Co.,  
Chartered Accountants  
FRN No.02947S

For and on behalf of the Board of  
Srestha Finvest Limited

Chennai  
30/May/19

Sd/-  
Sri Narayana Jalhotia  
PARTNER  
M No 233192

Sd/-  
Kamlesh Paramsal  
Wholtime Director/ CFO  
DIN: 00810823

Sd/-  
Navitha Jain  
Director  
DIN: 07492584

See accompanying notes to the financial statements  
**STATEMENT OF CHANGES IN EQUITY**  
 Name of the Non-Banking Financial Company: **SRESTHA FINVEST LIMITED**  
 Statement of Changes in Equity for the period ended: **31.03.2019**

	(in Rs.)							Total
	Equity Share Capital	Statutory Reserves	Reserves and Surplus	Other Reserves (Specify nature)	Retained Earnings	Equity Instruments through Other Comprehensive	Other Comprehensive Income	
Balance as at 1 April 2017	1714039		25000000	113869	208745		28914654	
Profit/Loss for the year							0	
Other Comprehensive Income/Loss					3218695		3218695	
Total Comprehensive Income for the year	1714039	0	25000000	113869	3208441	0	32133340	
Transfers to Statutory reserves							0	
Transfers to General reserves	658524				(658524)		0	
Transfer to/from retained earnings	2352563	0	25000000	113869	4666917	0	32133349	
Profit/Loss for the year							0	
Other Comprehensive Income/Loss							0	
Total Comprehensive Income for the year					(4245014)		-3852970	
Securities Premium on bonus issue of equity share capital			(15000000)				(15000000)	
Transfers to Statutory reserves							0	
Transfers to General reserves							0	
Transfer to retained earnings							0	
Any other changes (to be specified)							0	
Balance as at 31st March 2019	2352563	0	10000000	113869	421903	0	392044	

For and on behalf of the Board of  
**Srestha Finvest Limited**

Sd/-  
 Kamlesh Parasmal  
 Wholetime Director\CFO  
 DIN : 00810823

Sd/-  
 Navitha Jain  
 Director  
 DIN : 07492584

As per our Report of even date

For J.V. Ramanajam & Co.  
 Chartered Accountants  
 FNN No.029475

Sd/-  
 Sri Narayana Jalhokia  
 PARTNER  
 IM No 233192

## SRESTHA FINVEST LIMITED

CIN : L65993TN1985PLC012047

## CASH FLOW STATEMENT

S No	Particulars	Year Ended 31-Mar-19 Rs	Year Ended 31-Mar-18 Rs
<b>A</b>	<b>Cash Flows from Operating Activities:</b>		
	Net Profit after Taxation and Extraordinary Item	(3,852,970)	3,218,695
	Adjustments for :		
	Depreciation	106,147	164,162
	Finance Cost (Net)		
	Deferred Tax Liability		
	<b>Operating Profit before Working Capital Changes</b>	<b>(3,746,823)</b>	<b>3,382,857</b>
	(Increase) Decrease in Current Assets	16,512,141	117,507,983
	Increase (Decrease) in Current Liabilities	40,845,787	120,539,119
	<b>Cash Generated from Operations</b>	<b>20,586,823</b>	<b>6,413,993</b>
	Deferred Tax Liability		
	<b>Cash Flow before Extraordinary Items</b>	<b>20,586,823</b>	<b>6,413,993</b>
	Adjustment for Extraordinary Items	-	-
	<b>Net Cash from Operating Activities ( A )</b>	<b>20,586,823</b>	<b>6,413,993</b>
<b>B</b>	<b>Cash Flows from Investing Activities:</b>		
	Purchase of Fixed Assets	-	68,850
	Purchase of Investments	6,885,740	-
	<b>Net Cash From Investing ( B )</b>	<b>6,885,740</b>	<b>68,850</b>
<b>C</b>	<b>Cash flow from Financing Activities:</b>		
	Issue of Equity Shares During the year	-	-
	<b>Net Cash Used In Financing Activities (C)</b>	<b>-</b>	<b>-</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>13,701,083</b>	<b>6,345,143</b>
	Cash and Cash Equivalents at beginning of Period	14,423,670	8,078,527
	Cash and Cash Equivalents at end of Period	28,124,753	14,423,670
		<b>13,701,083</b>	<b>6,345,143</b>

As per our Report of even date attached  
For J.V. Ramanajam & Co.,  
Firm Regn. No. 029475  
Chartered Accountants

Sd/-  
Sri Narayana Jakhotia  
Partner  
Membership No. 233192

Place : Chennai  
Date : 30-May-19

For and on behalf of Board of Directors  
of Srestha Finvest Limited

Sd/-  
Kamlesh Parasmal  
Wholetime Director/ CFO  
DIN: 00810823

Sd/-  
Navitha Jain  
Director  
DIN: 07492584

**SRESTHA FINVEST LIMITED**  
CIN : L65993TN1985PLC012047

**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
<b>FINANCIAL ASSETS</b>		
<b>NOTE 3 : CASH &amp; CASH EQUIVALENTS</b>		
Cash on hand	144,866	414,921
Balances with Scheduled Banks		
In Current Accounts		
Kotak Mahindra Bank - I	27,958,826	13,983,455
Kotak Mahindra Bank - II	-	8,013
Punjab National Bank	21,062	17,281
	<b>28,124,753</b>	<b>14,423,670</b>
<b>NOTE 4 : OTHER RECEIVABLES</b>		
<b>Other Receivables</b>		
Meenakshi Ramaraju	-	1,000,000
Rohit Jain	125,248	-
Venus Meridian Agencies Pvt Ltd	-	270,000
	<b>125,248</b>	<b>1,270,000</b>
<b>NOTE 5 : LOANS</b>		
Loans		
(A) (i) Bills Purchased and Bills Discounted	0	0
(ii) Loans repayable on Demand	0	0
(iii) Term Loans	0	0
(iv) Leasing	0	0
(v) Factoring	0	0
(vi) Others (to be specified)	0	0
Total (A) - Gross	0	0
Less: Impairment loss allowance	0	0
Total (A) - Net	0	0
(B) (i) Secured by tangible assets	0	0
(ii) Secured by intangible assets	0	0
(iii) Covered by Bank/Government Guarantees	0	0
(iv) Unsecured	0	0
Total (B)-Gross	0	0
Less: Impairment loss allowance	0	0
Total (B)- Net	0	0
(C) (I) Loans in India		
(i) Public Sector	0	0
(ii) Others	0	0
Inter Corporate Loans	363768764	344958542
Total (C)- Gross	363768764	344958542
Less: Impairment loss allowance	0	0
Total (C) (I) - Net	363768764	344958542
(C) (II) Loans outside India		
Less: Impairment loss allowance	0	0
Total (C) (II)- Net	0	0
Total C(I) and C(II)	363768764	344958542
	<b>363,768,764</b>	<b>344,958,542</b>
<b>NOTE 6 : INVESTMENTS</b>		
<b>Investments measured at Fair Value Through Other Comprehensive Income</b>		
<b>In Equity Shares of Other Companies</b>		
<b>Quoted, Fully paid up</b>		
Investments	6,885,740	-
	<b>6,885,740</b>	<b>-</b>



## NOTE 7 : OTHER CURRENT ASSETS

Interest Receivable	15,663	32,891
Income Tax Refundable	-	699,105
Geogit Financial Services Ltd.	1,713	-
TDS (A.Y.2018-2019)	-	593,471
TDS (A.Y.2019-2020)	233,308	-
	<b>250,684</b>	<b>1,325,467</b>

## NOTE 8 : DEFERRED TAX ASSETS (NET)

Deferred Tax Asset	(68,039)	(41,966)
Less : Deferred Tax Liability	(5,829)	(26,073)
	<b>(73,868)</b>	<b>(68,039)</b>

## NOTE 10 : OTHER NON-FINANCIAL ASSETS

Secured Considered Goods	-	-
Unsecured Considered Goods		
Rental Advance	600,000	600,000
<u>Others</u>		
Preliminary Expenses	450,000	506,250
Less:- Written Off During The Year	196,875	168,750
	<b>253,125</b>	<b>337,500</b>
	<b>853,125</b>	<b>937,500</b>

## NOTE 11 : OTHER PAYABLES

## Payables

## (I) Other Payables

- (i) total outstanding dues of micro enterprises and smal enterprises  
(ii) total outstanding dues of creditors other than micro:

	221,128	995,739
	<b>221,128</b>	<b>995,739</b>

## NOTE 12 : BORROWINGS

## At Amortised Cost

a) Term Loans	-	-
b) Loans from Related Parties	-	-
c) Loans repayable on Demand	-	-
i) Secured	-	-
ii) Unsecured		
a) Other Parties	216,988,574	175,742,293
(A) Borrowings in India	<b>216,988,574</b>	<b>175,742,293</b>
(B) Borrowings Outside India	-	-
Total (A)+(B)	<b>216,988,574</b>	<b>175,742,293</b>

## NOTE 13 : PROVISIONS

## Provision for employee benefits

## Others:

Audit Fees Payable	-	25,000
Provision for Income Tax	796,981	1,644,525
Provision for Non Performing Assets	2,106,105	1,592,355

	<b>2,903,086</b>	<b>3,261,880</b>
--	------------------	------------------

## NOTE 14 : OTHER NON FINANCIAL LIABILITIES

Statutory Dues & Taxes Payable

Tds Payable	1,844,581	1,111,670
	<b>1,844,581</b>	<b>1,111,670</b>

## NOTE 6: INVESTMENTS

Investments	(Current Year)					(Previous Year)								
	Amortised cost	At Fair Value		Designated at fair value through profit or loss	Sub-Total	Others*	Total	Amortised cost	At Fair Value		Sub-Total	Others*	Total	
		Through Other Comprehensive Income	Through profit or loss						Through Other Comprehensive Income	Through profit or loss				
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+ (4)	(6)	(7)=(1)+ (5)+(6)	(8)	(9)	(10)	(11)	(12)=(9)+ (10)+(11)	(13)	(14)=(8) +(12)+(13)
Mutual funds					0	0	0					0		0
Government securities					0	0	0					0		0
Other approved securities					0	0	0					0		0
Debt securities					0	0	0					0		0
Equity instruments					0	0	0					0		0
Subsidiaries					0	0	0					0		0
Associates					0	0	0					0		0
Joint Ventures					0	0	0					0		0
Others		6885740			6885740		6885740							
<b>Total - Gross (A)</b>	0	6885740	0	0	6885740	0	6885740	0	0	0	0	0	0	0
(i) Investments outside India					0		0					0		0
(ii) Investments in India		6885740			6885740		6885740					0		0
<b>Total (B)</b>	0	6885740	0	0	6885740	0	6885740	0	0	0	0	0	0	0
Total (A) to tally with (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Allowance for Impairment loss (C)														
<b>Total - Net D= (A)-(C)</b>	0	6885740	0	0	6885740	0	6885740	0	0	0	0	0	0	0

\* Other basis of measurement such as cost may be explained as a footnote

**NOTE 15 : EQUITY SHARE CAPITAL****15.1 Authorised, Issued, Subscribed and Paid up Capital****a. Authorised Capital**

8,25,00,000 Equity Shares of Rs 2/- each	165,000,000	150,000,000
------------------------------------------	-------------	-------------

**b. Issued, Subscribed and Paid up Capital**

8,25,00,000 Equity Shares of Rs 2/- each	165,000,000	150,000,000
------------------------------------------	-------------	-------------

**15.2 Reconciliation of number of Equity Shares Outstanding**

	Shares	Shares
Shares Outstanding at the beginning of the year	75,000,000	75,000,000
Note :- Adjusted Opening Balance on account of Stock Split during the year	-	-
Add: Shares Issued during the year (Bonus Shares)	7,500,000	-
Shares Outstanding at the end of the year	<b>82,500,000</b>	<b>75,000,000</b>

**NOTE: The details of Top 10 shareholders of the company are enclosed in the Form MGT-9.**

**15.3 Shareholders holding more than 5 % Equity Shares**

Sl	Name of the Shareholder		Nos ( % )	Nos ( % )
1	Dharam Kirthi B (Huf)	2	12100000 (14.67)%	11001500 (14.67)%
2	Fat B Advisory & Consultan	2	11000000 (13.33)%	10000500 (13.33)%
3	Deepak Kanuga (Huf)	2	11000000 (13.33)%	10000000 (13.33)%
4	Jyothi Bafna	2	6277150 (7.61)%	5706500 (7.61)%
5	RVB Business Consultancy	2	11000000 (13.33)%	10000000 (13.33)%
6	Rain Tree Holding Pvt Ltd	2	8250000 (10.00)%	7500000 (10.00)%

**NOTE 16 : OTHER EQUITY****16.1 Securities Premium**

Opening Balance	25,000,000	25,000,000
Less: Issue of Bonus Shares	(15,000,000)	-
Closing Balance	<b>10,000,000</b>	<b>25,000,000</b>

**16.2 Statutory Reserve:**

Opening Balance	2,352,563	1,714,039
Add: Addition during the year	-	638,524
Closing Balance	<b>2,352,563</b>	<b>2,352,563</b>

**16.3 General Reserve:**

(2) 0.25 % Of Outstanding Loan		
Opening Balance	113,869	113,869
Add: Current Year Transfer	-	-
Closing Balance	<b>113,869</b>	<b>113,869</b>

**16.4 Profit & Loss Account:**

Opening Balance	4,666,917	2,086,746
Add : Profit for the Year	(4,245,014)	3,218,695
Less : Transferred to Statutory Reserve	-	(638,524)
Closing Balance	<b>421,903</b>	<b>4,666,917</b>

**16.5 Other Comprehensive Income:**

Opening Balance	-	-
Add : Movement in OCI (Net) during the year	<b>392,044</b>	-
	<b>392,044</b>	-
	<b>13,280,379</b>	<b>32,133,349</b>

**SRESTHA FINVEST LIMITED**  
CIN : L65993TN1985PLC012047  
NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
<b>NOTE 17 : INTEREST INCOME</b>		
Interest Income	39,429,091	30,603,645
Interest on IT Refund	61,195	-
Bank Interest	136,544	106,087
	<b>39,626,830</b>	<b>30,709,732</b>
<b>NOTE 18 : DIVIDEND INCOME</b>		
Dividend Income	79,600	-
	<b>79,600</b>	<b>-</b>
<b>NOTE 19 : FINANCE COSTS</b>		
Interest Expense	18,604,752	11,056,032
Bank Charges	248	708
	<b>18,605,000</b>	<b>11,056,740</b>
<b>NOTE 20 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Allowances	4,323,000	4,104,500
Staff Welfare Expenses	195,713	145,095
	<b>4,518,713</b>	<b>4,249,595</b>
<b>NOTE 21 : OTHER EXPENSES</b>		
Advertisement Expenses	14,468	20,100
Audit Fees	-	25,000
Bad Debts	16,193,546	6,250,000
Books & Periodicals	16,380	14,730
Business Promotion Expenses	221,446	283,330
Electricity Charges	27,131	39,625
Interest Payments TDS	-	150
General Expenses	30,500	-
Listing Fees	372,500	327,750
Loss On Trading of Equity Shares	730,264	-
Office Expenses	549,305	504,475
Postage and Stamps	49,601	19,887
Preliminary Expenses Written off	196,875	168,750
Printing and Stationery	81,967	53,951
Processing Fees	-	28,750
Professional Fees	842,423	367,673
Provision for Bad & Doubtful Debts	513,750	1,592,355
Rates And Taxes	60,651	7,494
Rent Payments	600,000	600,000
Repairs and Maintenance	85,640	58,320
ROC Fees	6,600	4,200
Rounded Off	(0)	(1)
Share Expenses	52,446	-
Telephone Expenses	14,000	13,406
Travelling And Conveyance	67,920	90,530
	<b>20,727,413</b>	<b>10,470,475</b>

**M/S SRESTHA FINVEST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

## NOTE NO 9 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation					Net Block	
	As At 31-Mar-18 Rs	Additions Rs	Deductions/ Transfers Rs	As At 31-Mar-19 Rs	Up to 31-Mar-18 Rs	For the Year Rs	Deletion Rs	Up to 31-Mar-19 Rs	As At 31-Mar-19 Rs	As At 31-Mar-18 Rs
<b>TANGIBLE ASSETS</b>										
Furniture & Fittings	566,714	-	-	566,714	332,891	86,272	-	419,163	147,551	233,823
Cash Counting Machines	7,000	-	-	7,000	5,316	1,264	-	6,580	420	1,684
Air Conditioner	35,000	-	-	35,000	15,040	12,494	-	27,534	7,466	19,960
Computer & Peripherals	162,600	-	-	162,600	156,354	6,117	-	162,471	129	6,246
<b>Total Tangible Assets</b>	<b>771,314</b>	<b>-</b>	<b>-</b>	<b>771,314</b>	<b>509,601</b>	<b>106,147</b>	<b>-</b>	<b>615,748</b>	<b>155,566</b>	<b>261,713</b>
<b>INTANGIBLE ASSETS</b>										
Intangible Assets	-	-	-	-	-	-	-	-	-	-
<b>Total of Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous Year	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>771,314</b>	<b>-</b>	<b>-</b>	<b>771,314</b>	<b>509,601</b>	<b>106,147</b>	<b>-</b>	<b>615,748</b>	<b>155,566</b>	<b>261,713</b>
Previous Year	702,464	68,850	-	771,314	345,439	164,162	-	509,601	261,713	357,025

**SRESTHA FINVEST LIMITED**

ASSESSMENT YEAR - 2019-20

FINANCIAL YEAR - 2018-19

PAN - AAACM5313R

Details of Fixed Assets and Depreciation Schedule for Income Tax Purposes for A.Y.2019-20

*Annexure to Form - 3 CD*

Block	Assets	W.D.V. as on 01-Apr-18	Additions during the year			Deletions/Transfer during the year	Total	Depr. Rate	Depreciation for the year	W.D.V. as on 31-Mar-19
			above 180 days	below 180 days	Total					
1	Furniture & Fittings	425,218	-	-	-		425,218	10%	42,522	382,696
2	Cash Counting Machine	5,058	-	-	-		5,058	15%	759	4,299
3	Air Conditioner	29,750	-	-	-		29,750	15%	4,462	25,288
4	Computer	19,308	33,850	-	33,850		53,158	40%	21,263	31,895
		<b>479,334</b>	<b>33,850</b>	<b>-</b>	<b>33,850</b>	<b>-</b>	<b>513,184</b>		<b>69,006</b>	<b>444,178</b>

**Notes to the financial statements****Note : Financial Instruments - Fair value disclosures**

The management has assessed that the carrying amounts of financial assets such as trade receivables, loans, cash and cash equivalents and financial liabilities like borrowings, trade payables recognised in the financial statements approximate their fair values. With respect to the investment in unquoted shares, the Company has availed the services of a professional valuer and performed fair valuation.

<b>March 31, 2019</b>	<b>Carrying amount</b>				<b>Fair value hierarchy</b>
<b>Description</b>	<b>Amortised cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Total</b>	
<b>A. Financial Assets</b>					
Investments			6,885,740	6,885,740	Level 1
Loans	363,768,764			363,768,764	NA
Trade receivables	125,248			125,248	NA
Cash and cash equivalents	28,124,753			28,124,753	NA
Other bank balances				-	NA
Other financial assets	250,684			250,684	NA
<b>B. Financial Liabilities</b>					
Borrowings	216,988,574			216,988,574	NA
Trade payables				-	NA
Other financial liabilities	2,065,709			2,065,709	NA
<b>March 31, 2018</b>					
<b>March 31, 2018</b>	<b>Carrying amount</b>				<b>Fair value hierarchy</b>
<b>Description</b>	<b>Amortised cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Total</b>	
<b>A. Financial Assets</b>					
Investments			-	-	Level 1
Loans	344,958,542			344,958,542	NA
Trade receivables	1,270,000			1,270,000	NA
Cash and cash equivalents	14,423,670			14,423,670	NA
Other bank balances				-	NA
Other financial assets	1,325,467			1,325,467	NA
<b>B. Financial Liabilities</b>					
Borrowings	216,988,574			216,988,574	NA
Trade payables				-	NA
Other financial liabilities	2,107,409			2,107,409	NA

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS:****1. COMPANY INFORMATION**

Srestha Finvest Limited ('the Company'), incorporated in India, is a public limited company, headquartered in Chennai. The Company is a Non-Banking Financial Company ('NBFC') engaged in providing Loans, Finance and Investments. The Company is registered as a Non-Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. The equity shares of the Company are listed on The Bombay Stock Exchange ("BSE") and Metropolitan Stock Exchange of India Ltd in India (MSEI).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Statement of compliance and basis for preparation and presentation of financial statements**

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/clarifications/directions issued by RBI or other regulators are implemented as and when they are issued/applicable.

**2.2 Functional and presentation currency**

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

**2.3 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain items which are measured at fair values.

**2.4 Measurement of fair values**

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**2.5 Use of estimates and judgments and Estimation uncertainty**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The key assumptions concerning the future and other key sources of

estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities:

**Effective Interest Rate (EIR) Method**

The Company recognizes interest income / expense using a rate of returns that represents the best estimate of a constant rate of return over the expected life of the loans given / taken.

This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**Impairment of Financial Assets**

The measurement of impairment losses on loan assets and commitments requires judgment, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

**Provisions and other contingent liabilities**

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**2.6 Revenue recognition:****a) Recognition of interest income on loans**

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Statement of profit and loss.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

**b) Fee and commission income:**

Fee based income are recognized when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognized as and when they are due.

**c) Dividend and interest income on investments:**

- Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

- Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**2.7 Property, Plant and Equipments (PPE)**

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realizable value.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on DE recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

**2.8 Investments in subsidiaries and associates:**

There is no subsidiary or any associate company.

**2.9 Foreign exchange transactions and translations:**

There are no Foreign Exchange transactions.

**2.10 Financial instruments:**

**a) Recognition and initial measurement -**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or

financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

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

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

- Amortized cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

**Amortized cost –**

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

FVOCI - debt instruments - NA

FVOCI - equity instruments -

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL.

This includes all derivative financial assets.

**Subsequent measurement of financial assets**

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, and impairment are recognized in Statement of profit and loss. Any gain and loss on DE recognition is recognized in Statement of profit and loss.

Other net gains and losses are recognized in OCI. On DE recognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

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

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss.

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



**c) Financial liabilities and equity instruments:****Classification as debt or equity -**

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

**Equity instruments -**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an Equity transactions are recognized as a deduction from equity.

**Financial liabilities -**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses are recognized in Statement of profit and loss. Any gain or loss on DE recognition is also recognized in Statement of profit and loss.

**d) Financial guarantee contracts:**

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

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

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18 - Revenue.

**e) Derecognition****Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**Financial liabilities**

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

**f) Offsetting**

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

**g) Derivative financial instruments**

The Company enters into derivative financial instruments, primarily forward contracts of equity,

Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently premeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss.

**i) Impairment of financial instruments-**

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

**j) Collateral repossessed -**

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalization at their fair market value.

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the assets/ properties under legal repossession processes are not separately recorded on the balance sheet.

**k) Write offs -**

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in Statement of profit and loss.

**2.11 Employee benefits:****a) Short-term employee benefits-**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b) Contribution to provident fund, ESI and Gratuity-**

The company is yet to get covered under the scheme as to PF and ESI. The gratuity liability is determined on actual basis.

**2.12 Finance costs:**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Finance costs are charged to the Statement of profit and loss.

**2.13 Taxation - Current and deferred tax:**

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

**a) Current tax:**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**b) Deferred tax:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. 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.

**2.14 Impairment of assets other than financial assets:**

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair valueless costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized in Statement of profit and loss.

**2.15 Provisions:**

Provisions are recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**2.16 Leases:****Where the Company is the lessee -**

Leases where the less or effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss.

**2.17 Cash and cash equivalents:**

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

**2.18 Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. 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 period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**2.19 Standards issued but not yet effective:**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116, Leases and consequential amendments to various Ind AS standards. The amendments are effective from accounting periods beginning from 1st April 2019.

Ind AS 116 Leases

**Key amendment to other INDAS**

**Ind AS 12, Income Taxes Recognition of income tax consequences of dividends:**

Clarifies that the income tax consequences of distribution of profits (i.e. dividends), should be recognized when a liability to pay dividend is recognized. The income tax consequences should be recognized in the Statement of profit and loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized. The Company is currently assessing the impact of application of this amendment on the Company's financial statements.

**Ind AS 19, Employee Benefits**

Clarifies that when a plan amendment, curtailment or settlement occurs: The updated actuarial assumptions used in remeasuring the plan are applied to determine the current service cost of principal and interest (or less than the contractual paramount plus accrued interest) may meet the SPPI criterion if it is determined to include reasonable compensation for early termination. The Company is currently assessing the impact of application of this amendment on the Company's financial statements.

**Other Equity**

Description of the nature and purpose of Other Equity:

**Statutory reserve**

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

**Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

**22 FRESH ISSUE OF EQUITY SHARE CAPITAL**

During the year ended 31 March 2019, the Company had issued 7500000 Bonus Shares to the existing share holders of the company.

**23 SEGMENT INFORMATION**

The company operates in single and primary segment only.

**24 FINANCIAL RISK MANAGEMENT FRAMEWORK**

In the course of its business, the Group is exposed to certain financial risks namely credit risk, interest risk & liquidity risk. The Group's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the risk management policy which has been approved by the Board of Directors of the respective Group companies. The credit risk is managed through credit norms established based on historical experience.

**24.1 Market Risk**

Market Risk is the risk that the fair value or future cash flows of financial

instruments will fluctuate due to changes in market variables such as interest rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Group's Investment in Equity is exposed to pricing risk

**25 DETAILS OF RELATED PARTY TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (KMP) ARE AS UNDER:**

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. The Company considers its Whole time Director, Company Secretary and Chief Financial Officer to be key management personnel for the purposes of IND AS24 Related Party Disclosures.

S.No.	Name of the Party	Nature of Transaction	Amount (Rs.)
1	Mr. Kamlesh Parasmal	Directors Salary	Rs. 246000/-
2	Mrs. Navitha Jain	Directors Salary	Rs. 212000/-
3	Company Secretary	Salary	Rs. 125000/-

**26 PRESENTATIONS OF PREVIOUS YEAR'S FIGURES**

Previous year's figures have been regrouped / reclassified / rearranged wherever necessary to bring them in conformity with the current year's figures.

**Signatures to Notes 1 to 26**

As per our Report of even date attached

**For and on behalf of the Board of Directors of SRESTHA FINVEST LIMITED**

Sd/-  
For J V RAMANUJAM & Co.,  
Chartered Accountants  
FRN: 02947S

Sd/-  
Sri NarayanaJakhotia  
Partner  
Membership No.233192

Sd/-  
KamleshParasmal  
Whole Time Director/CFO  
(Din: 00810823)

Sd/-  
Navitha Jain  
Director  
(Din: 07492584)

Place : Chennai  
Date: 30/05-2019

# SRESTHA FINVEST LIMITED

CIN : L65993TN1985PLC012047

No. 35/1, Muthu Krishnan Street, Kondithope, Chennai, Tamil Nadu – 600079.

E-mail: srestha.info@gmail.com, Website: www.srestha.co.in

## ATTENDANCE SLIP

### 34th ANNUAL GENERAL MEETING ON 27th SEPTEMBER, 2019

Mr./Mrs./Miss

.....

Address.....

.....

.....Folio No. (Physical holding).....DP ID  
(Demat holding).....Client ID.....

No. of shares held

.....

.....

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 34th Annual General Meeting (AGM) of the Company on Friday 27th September 2019, at 10.00 a.m. at the Registered Office of the Company at No. 35/1, Muthu Krishnan Street, Kondithope, Chennai, Tamil Nadu – 600079, or any adjournment thereof.

[Signature of Shareholders/Proxy(s)] .....

Notes:

1. Shareholder/proxy holder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over the same at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the proxy form should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

**PROXY FORM**

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

CIN : L65993TN1985PLC012047

Name of company : SRESTHA FINVEST LIMITED

Registered Office : No. 35/1, Muthu Krishnan Street, Kondithope, Chennai-600079, India

Name of the member (s) :

Registered address :

Folio No./ Client Id:

DP ID :

E-mail Id :

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

1. Name : .....

E-mail Id : .....

Address : .....

.....

Signature : ..... or

failing him/her

2. Name : .....

E-mail Id : .....

Address : .....

.....

Signature : ..... or

failing him/her

3. Name : .....

E-mail Id : .....

Address : .....

.....

Signature : ..... or

failing him/her as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual general meeting of the Company to be held on 27th September, 2019 at 10.00 A.M at the Registered Office of the Company at No. 35/1, Muthu Krishnan Street, Kondithope, Chennai, Tamil Nadu – 600079, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March 2019 together with the Report of the Board of Directors and Auditors thereon.			
2	Appointment of a director in place of Mrs. Navitha Jain who retires by rotation and being eligible, offers herself for re-appointment.			
<b>Special Business:</b>				
3	Re-Appointment of Mr. Manmohan (DIN:02613893) as Independent Director of the Company			
4	Re-Appointment of Mr. Gopal B Ahuja (DIN:02613947) as Independent Director of the Company.			
5	Re-Appointment of Mr. Kamlesh Parasmal (DIN:00810823) as Whole Time Director of the Company.			

Note:

- \*It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' or Abstain column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder \_\_\_\_\_

<b>Affix Rs.2/- Revenue Stamp</b>
-------------------------------------------

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33rd Annual General Meeting.
- Please complete all details including details of member(s) in above box before submission.

Affix Rs.2/- Revenue Stamp

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., phone no. and e-mail id in our records. We would also like to update your current signature records in our system.

To achieve this we solicit your co-operation in providing the following details to us :

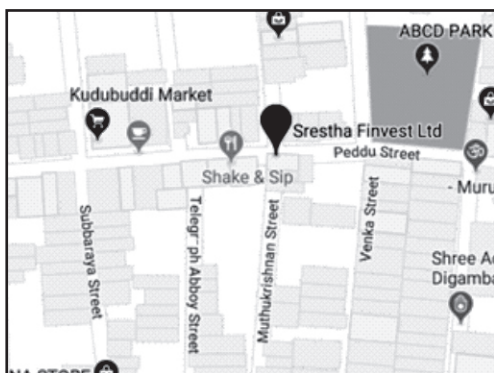
1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following :

Folio No. :  
Pan No. :  
E-mail ID :  
Telephone No. :  
Name and Signatures : i.  
ii.  
iii.

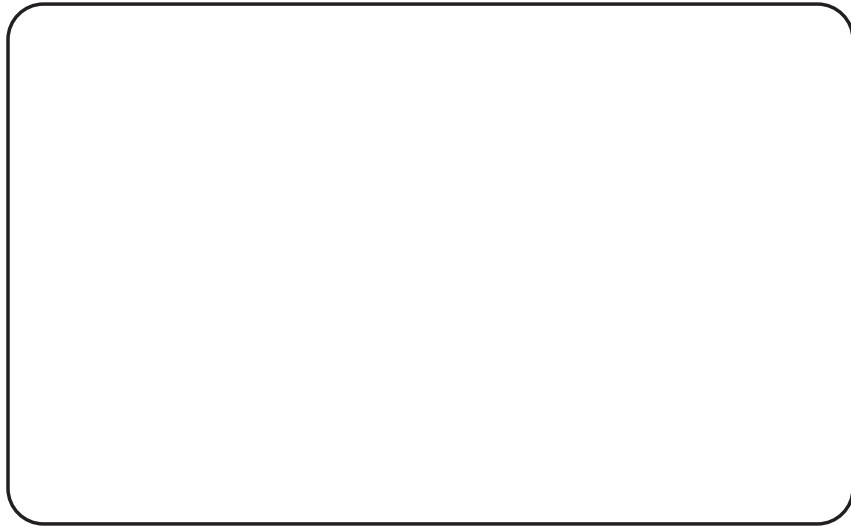
Thanking you,  
**For Srestha Finvest Limited**

Authorised Signatory

Route Map for AGM Venue:



BOOK - POST



If undelivered please return to :

**SRESTHA FINVEST LIMITED**

**No.35/1, Muthu Krishnan Street,  
Kondithope, Chennai-600079**