

# SRESTHA FINVEST LIMITED

Date: 28<sup>th</sup> August, 2020

To  
The Manager  
Listing Department

1. Bombay Stock Exchange Ltd, Mumbai
2. Metropolitan Stock Exchange of India Ltd, Mumbai.

Dear Sir,

**Sub: Annual Report for the Financial Year 2019-2020**

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith enclose Notice of the Annual General Meeting along with Annual Report for the Financial Year 2019-2020 which is being sent through email to those members who have registered their email addresses with the Company/Depositories.

The Notice of the Annual General Meeting along with Annual Report will also be made available on the website of the Company.

This is for your information and records.

Yours faithfully,  
For Srestha Finvest Limited

  
A. Jithendra Kumar Bafna  
Company Secretary



Encl: as above

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

Phone No. 044-25206006  
E-mail : srestha.info@gmail.com  
CIN : L65993TN1985PLC012047



# **SRESTHA FINVEST LIMITED**

**F.Y. 2019 – 2020 | ANNUAL REPORT**

# CORPORATE INFORMATION

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**CIN** : L65993TN1985PLC012047

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

**Website** : [www.srestha.co.in](http://www.srestha.co.in)

**Email** : [srestha.info@gmail.com](mailto:srestha.info@gmail.com)

## BOARD OF DIRECTORS

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**Mr. Kamlesh Parasmal - Wholetime Director / Chief Financial Officer**

**Mrs. Navitha Jain - Non Executive - Non Independent Director**

**Mr. Manmohan - Chairman, Non Executive Independent Director**

**Mr. Gopal Biharilal Ahuja - Non Executive Independent Director**

## STATUTORY AUDITORS

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**J.V RAMANUJAM & CO.**  
Chartered Accountants

## COMPANY SECRETARY

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**A. Jithendra Kumar Bafna**

**Bankers** : KOTAK MAHINDRA BANK

**Share Registry** : M/s. PURVA SHAREGISTRY (INDIA) PVT LTD  
No. 9, Shiv Shakti IndEstt, J.R. Boricha Marg,  
Lower Parel (East), Mumbai – 400011  
Tel: 022 2301 2517 / 8261  
email: [support@purvashare.com](mailto:support@purvashare.com)  
Website: [www.purvashare.com](http://www.purvashare.com)

# NOTICE

Notice is hereby given that the Thirty Fifth (35<sup>th</sup>) Annual General Meeting (“AGM”) of the Members of Srestha Finvest Limited will be held on Wednesday, the 30<sup>th</sup> September 2020 at 09:00 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM), to transact the following business:

## ORDINARY BUSINESS:

### 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, 2020 including audited Balance Sheet as at 31st March, 2020 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.

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:

### 3. Appointment of Mr. Dheeraj T (DIN: 08834983) as a Non –Executive Independent Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), subject to approval of Reserve Bank of India, if any, and based on recommendation made by the Nomination and Remuneration Committee of the Company, Mr. Dheeraj T (DIN: 08834983) who was appointed by the Board of Directors as an Additional Director (Non-Executive and Independent) with effect from August 21, 2020 to hold office up to the date of 35<sup>th</sup> AGM of the Company in terms of Section 161(1) of the Companies Act, 2013 (“the Act”) and has also submitted a declaration that he meets the criteria for independence as provided in the Act and rules made thereunder and SEBI Listing Regulations, be and is hereby appointed as a Non- Executive Independent Director, to hold office for a term of 5 (five) consecutive years with effect from August 21, 2020 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or its Committee thereof or any empowered officials, be and hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.:

### 4. Appointment of Mrs. Varalakshmi V (DIN: 03017336) as a Non – Executive Independent Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), subject to approval of Reserve Bank of India, if any, and based on recommendation made by the Nomination and Remuneration Committee of the Company, Mrs. Varalakshmi V (DIN: 03017336) who was appointed by the Board of Directors as an Additional Director (Non-Executive and Independent) with effect from August 21, 2020 to hold office up to the date of 35<sup>th</sup> AGM of the Company in terms of Section 161(1) of the Companies Act, 2013 (“the Act”) and has also submitted a declaration that he meets the criteria for independence as provided in the Act and rules made thereunder and SEBI Listing Regulations, be and is hereby appointed as a Non- Executive Independent Director, to hold office for a term of 5 (five) consecutive years with effect from August 21, 2020 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or its Committee thereof or any empowered officials, be and hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution.

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

**Place: Chennai  
Date: 28/08/2020**

**Sd/-  
A. Jithendra Kumar Bafna  
Company Secretary**

**Registered Office:** No.35/1, Muthu Krishnan Street, Kondithope, Chennai – 600079  
Email: srestha.info@gmail.com | Website: www.srestha.co.in | Tel: 044 – 2520 6006  
CIN: L65993TN1985PLC012047

## Notes:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (“SEBI Circular”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Shareholders at a common venue.

In compliance with the applicable provisions of the Companies Act, 2013 (“Act”), MCA Circulars, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), SEBI Circulars, and Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/Guidance on applicability of Secretarial Standards 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
- Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since the 35<sup>th</sup> AGM of the Company is being held through VC / OAVM in accordance with MCA Circulars and SEBI Circulars, physical attendance of Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be made available for the 35<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy of its Board or governing body Resolution/Authorization etc., (PDF/JPG Format) authorizing its representative to attend and vote on its behalf at the AGM through VC / OAVM. The said Resolution/Authorisation shall be sent to the Company by email through its registered email at [srestha.info@gmail.com](mailto:srestha.info@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- Shareholders participating the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- An explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item No. 3 and Item No.4 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company has opined that the special business under Item No. 3 and Item No. 4, being considered unavoidable, be transacted at 35<sup>th</sup> AGM of the Company.
- The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with applicable provisions of Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India and other relevant information, if any in respect of director seeking appointment/re-appointment relating to item Nos. 2 is also annexed to the Notice.
- The Register of Members and share transfer books of the Company will remain closed from Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
- Shareholders are requested to update their email ids and phone numbers with Registrar and Share Transfer Agent at <http://www.purvashare.com/email-and-phoneupdate/>
- In line with MCA Circulars and SEBI Circulars, the Notice of the AGM along with Annual Report for F.Y. 2019-2020 is being sent electronically to all the shareholders whose email addresses are registered with the Company / Depositories. Member may note that Notice and Annual Report for the financial year 2019-20 has been uploaded on the website of the Company at [www.srestha.co.in](http://www.srestha.co.in). The Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and MSEI Limited ([www.msei.in](http://www.msei.in)) and also from the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- Shareholders 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 Share Registry (India) Private Limited (Purva). In case shares are held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
- Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held by them in dematerialized form and to Registrar and Share Transfer Agent of the Company, i.e., Purva Share Registry (India) Private Limited in case the shares are held by them in physical form.



13. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has mandated registration of PAN (Permanent Account Number) and Bank Account details for all security holders. Shareholders holding shares in demat form are requested to submit their PAN and Bank Account details to their respective Depository Participant(s) along with a self-attested copy of PAN and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Shareholders are requested to submit a copy of bank passbook/statement attested by the bank. Shareholders holding shares in physical form can submit the aforesaid information to the Registrar and Share Transfer Agent of the Company.
14. In accordance with Regulation 40 of SEBI Listing Regulations, as amended from time to time, with effect from, April 1, 2019, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities, Accordingly, the Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form. All communications in respect of share transfers, dematerialization and change in the address of the Shareholders may be communicated to the Registrar and Share Transfer Agent of the Company, i.e., Purva Shareregistry (India) Private Limited
15. Shareholders can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Shareholders desiring to avail this facility may send their nomination in the prescribed Form No. SH-13, duly filled in to the Registrar and Share Transfer Agent of the Company, i.e., Purva Shareregistry (India) Private Limited. Shareholders holding shares in electronic form may contact their respective Depository Participants for availing this facility. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. The aforesaid forms will be made available to the Shareholders on request.
16. The Explanatory Statement, Registers and all other documents referred to in the accompanying Notice, will be available for inspection in electronic mode. Shareholders can inspect the same by sending an email to the Company at [srestha.info@gmail.com](mailto:srestha.info@gmail.com) till the date of AGM.
17. To promote/ support green initiative, shareholders are requested to register / update their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Shareholders holding the shares in physical form may register/ update their e-mail addresses through the Registrar & Transfer Agent, giving reference of their Folio Number.
18. Since the AGM of the Company is being held through VC/OAVM Facility, the Route Map is not annexed to this Notice.

## **INSTRUCTIONS AND OTHER INFORMATION RELATING TO E-VOTING ARE AS UNDER:**

19. The Company has engaged Central Depository Services (India) Limited ("CDSL") to offer e-voting facility to all its Shareholders to enable them to cast their votes electronically.
20. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44(1) of SEBI (LODR) Regulations, 2015, the Shareholders are provided with the facility to cast their votes on all resolutions through e-voting services provided by CDSL. Resolution(s) passed by Shareholders through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
21. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ Beneficial Owner List maintained by the Depositories as on the cut-off date, i.e., Wednesday, September 23, 2020.
22. Shareholders whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e., Wednesday, 23<sup>rd</sup> September, 2020 shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
23. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date, i.e., Wednesday, 23<sup>rd</sup> September, 2020, may obtain the User ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However if a member is already registered with CDSL for remote e-voting then existing User ID and password can be used for casting the vote.
24. L. Ramesh & Associates, has been appointed as the Scrutinizer to scrutinize the e-voting process as well as e-voting during the AGM in a fair and transparent manner.
25. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting during the AGM and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
26. 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 Bombay Stock Exchange Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSEI), where the shares of the Company are listed.

**PROCEDURE FOR REMOTE E-VOTING ARE EXPLAINED BELOW:**

- a) The remote e-voting period begins on 27<sup>th</sup> September 2020 at 9.00 A.M. and ends on 29<sup>th</sup> September 2020 at 05.00 P.M. During this period, the Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Wednesday, 23<sup>rd</sup> September, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- c) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- d) Click on Shareholders/Shareholders Tab.
- e) Now, select “Srestha Finvest Limited” from the drop down menu and click on “SUBMIT”;
- f) Now enter your User ID
  - For CDSL: 16 digits beneficiary ID;
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

- g) Next enter the Image Verification as displayed and Click on Login.
- h) 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.
- i) If you are a first time user, follow the steps given below and fill the appropriate boxes:

**For Shareholders holding shares in Demat Form and Physical Form:**

<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (in capital) (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders 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> </ul>
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	<ul style="list-style-type: none"> <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>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (f).</p>

- j) After entering these details appropriately, click on “SUBMIT” tab.
- k) Shareholders holding shares in physical form will then directly reach the EVSN selection screen. However, Shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- l) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- m) Click on the EVSN for the relevant Company “Srestha Finvest Limited” on which you choose to vote.
- n) 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.
- o) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- p) 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.
- q) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- r) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

- s) 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.
- t) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**u) 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.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the e-mail address [srestha.info@gmail.com](mailto:srestha.info@gmail.com), if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ID'S ARE NOT REGISTERED WITH THE DEPOSITORIES**

**FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

**For Physical Shareholders:**

Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

**For Demat Shareholders:**

Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**PROCEDURE FOR E-VOTING DURING THE AGM ARE AS UNDER:**

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

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/Shareholders login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/Shareholders login where the EVSN of Company will be displayed.
2. Shareholders can join the Meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of



participation at the AGM through VC/OAVM will be made available to at least 1000 Shareholders on first come first served basis.

However, the participation of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are not restricted on first come first served basis.

3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their

registered email ID's mentioning their name, demat account number/folio number, mobile number at [srestha.info@gmail.com](mailto:srestha.info@gmail.com) at least 7 days before the AGM. Only those Shareholders who have registered themselves as a speaker will be allowed to express their views or ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

6. Shareholders who do not wish to speak during the AGM but have queries may send their queries from their registered e-mail Id mentioning their name, demat account number/folio number, email id, mobile number at [srestha.info@gmail.com](mailto:srestha.info@gmail.com) at least 7 days before the AGM.

Shareholders who need any technical assistance before or during the AGM can send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**By Order of the Board of Directors  
For Srestha Finvest Limited**

Sd/-

**A. Jithendra Kumar Bafna  
Company Secretary**

**Place: Chennai  
Date: 28/08/2020**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

Based on recommendation made by Nomination and Remuneration Committee, It is hereby proposed to appoint Mr. Dheeraj T as Director of the Company under the Category of Non-Executive Independent Director and whose office shall not be liable to retire by rotation at the forthcoming Annual General Meeting. In the opinion of the Board, Mr. Dheeraj T fulfills the conditions for appointment as a Non-Executive Independent Director as specified in the Act and relevant rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and he is independent of the Management and possesses appropriate skills, experience and knowledge which would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dheeraj T as a Non- Executive Independent Director.

The Company has received a declaration from Mr. Dheeraj T confirming that he meets the criteria of independence under the Companies Act, 2013 and relevant rules framed thereunder and SEBI Listing Regulations. Further, the Company has also received Mr. Dheeraj T's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Mr. Dheeraj T is Professional having vast experience of about 10 years into field of Accountancy, Audits and Management Functions. Additional information in respect of Mr. Dheeraj T, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice

Accordingly, the Board recommends the Ordinary Resolution set out at Item No.3 of the Notice for the approval by the Members of the Company.

Except Mr. Dheeraj T, 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. 4

The Board, based on recommendation of Nomination and Remuneration Committee, hereby proposes to appoint Mrs. Varalakshmi V as Non-Executive Independent Director of the Company and whose office shall not be liable to retire by rotation at the forthcoming Annual General Meeting. Mrs. Varalakshmi V is engaged in service and has experience of about 20 years into field of Accountancy and Audit practices. Additional information in respect of Mrs. Varalakshmi V, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice

The Company has also received a declaration from Mrs. Varalakshmi V confirming that she meets the criteria of independence under the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mrs. Varalakshmi V consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In the opinion of the Board, Mrs. Varalakshmi V fulfills the conditions for appointment as a Non-Executive Independent Director as specified in the Act and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and she is independent of the Management and possesses appropriate skills, experience and knowledge which would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Varalakshmi Vas a Non- Executive Independent Director.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for the approval by the Members of the Company.

Except Mrs. Varalakshmi V, none of the Directors of the Company or Key Managerial Personnel and their relatives have any interest, financially or otherwise, in the proposed resolution.

**By Order of the Board of Directors  
For Srestha Finvest Limited**

Sd/-

**A. Jithendra Kumar Bafna  
Company Secretary**

**Place: Chennai  
Date: 28/08/2020**

## Annexure - A

### Details of Directors seeking appointment at the 35th Annual General Meeting

*[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India]*

Name of the Director	MRS. NAVITHA JAIN	MR DHEERAJ T	MRS VARALAKSHMI V
<b>Date of Birth</b>	29/07/1982	31/12/1986	02/09/1989
<b>Nature of Appointment</b>	Re-appointment	Appointment	Appointment
<b>Date of Appointment</b>	09/03/2019	21/08/2020	21/08/2020
<b>Relationship with Directors and Key Managerial Personnel</b>	Spouse of Kamlesh Parasmal	None	None
<b>Qualifications</b>	Bachelor Of Commerce (B.Com)	Bachelor Of Commerce (B.Com)	Bachelor Of Commerce (B.Com)
<b>Experience</b>	05 years of Rich Experience in Business Administration	10 years of Rich Experience in Accounts, Audit and Management Administration	20 years of Rich Experience in Accounts and Audit Practices
<b>Expertise in specific functional area</b>	Experience in Business Administration	Experience in Audits, Management and Accounting	Experience in Audit and Accounting
<b>Directorship in other Companies</b>	-	-	-
<b>Chairman/Member of Committees of other companies</b>	-	-	-
<b>Shareholding in the Company</b>	0.0006%	-	-

**Note:** The proposal for appointment of Directors has been approved by the Board pursuant to the recommendation of the Nomination and Remuneration Committee considering their skills, experience and knowledge and positive outcome of performance evaluation, wherever applicable and subject to approval from Reserve Bank of India, if any

# DIRECTOR'S REPORT

## TO THE MEMBERS OF SRESTHA FINVEST LIMITED

Your Directors have pleasure in presenting the 35<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, 2020.

### 1. FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March 2020 is summarized below:

(Rs in lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Income from Operations	416.40	397.06
Non-operating Income	0.00	0.00
Total Income	416.40	397.06
Total Expenditure	194.34	252.46
Profit/Loss before Depreciation, Interest and Taxation	222.06	144.60
Interest & Finance Charges	242.20	186.05
Depreciation	0.68	1.06
Profit/Loss before Tax	(20.82)	(42.51)
Provision for Current Taxes	0.68	0.00
Provision for Deferred Taxes	(0.06)	(0.06)
Profit/Loss after Tax	(21.44)	(42.45)
Statutory Reserve	0.00	0.00
Balance in Profit & Loss Account	(85.87)	(38.53)
Balance carried to Balance Sheet	(85.87)	(38.53)

### 2. DIVIDEND

Due to losses no Dividend has been declared during the year.

### 3. TRANSFER TO RESERVES

Due to loss the company has abstained from transfer to any reserves other than statutory transfers.

### 4. OPERATING RESULTS AND BUSINESS OPERATIONS

During the financial year 2019 - 2020, your Company has incurred a loss of Rs. 21.44 Lakhs as compared to the loss of Rs. 42.45 Lakhs in previous year 2018-2019.

### 5. COVID AND ITS IMPACT

The company foresee the impact on its business segment as due to sustained lock down for long period across the country due to COVID 19 all the business were nearly shut resulting in financial implication on their business as well as cash flows. The continuing uncertainty still exists and the future impact cannot be gauged at this point of time. However the company has prepared itself to handle and face any adverse situation. The company has already dispensed detailed impact with the stock exchanges.

### 6. 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.

## **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](http://www.srestha.co.in))**

The following documents have been placed on the website in compliance with the Companies Act, 2013:

- 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. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT**

There has been no material change and commitment affecting the financial performance of the Company which had occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report except to the extent of unanticipated covid 19 impact which is readily not measureable and its disclosed to stock exchanges under the compliance directions.

## **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 2019-20, 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 and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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. COMMITTEE AND ITS MEETINGS**

The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report which forms part of the Annual Report. There have been no instances during the year where recommendations of its Committees were not accepted by the Board.

## **13. 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 Companies Act, 2013, Regulation 6(1) of SEBI Listing Regulations and relevant rules framed thereunder, Mr. A. Jithendra Kumar Bafna, was appointed as the Company Secretary and Compliance Officer of the Company with effect from January 27, 2020 and Ms. Ayushi Sharma ceased to be the Company Secretary and Compliance Officer of the Company with effect from close of business hours on January 14, 2020. The Board places on record its appreciation for her valuable contribution and guidance during her association with the Company.

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

#### **14. NUMBER OF MEETINGS OF THE BOARD**

Four meetings of the Board of Directors of the Company were held during the year. The requisite quorum was present for all the Meetings. For detailed information on the Meetings of the Board and its Committees, please refer to the Corporate Governance Report, which forms part of this Annual Report.

#### **15. 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, Wholtime Director and Chief Financial Officer and forms part of the Annual Report.

#### **16. DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have submitted a Declaration that each of them meets the criteria of Independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI Listing Regulations. In accordance with the provisions of Section 150 of the Act read with the applicable Rules made thereunder, the Independent Directors of the Company have registered themselves in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs, Manesar ["IICA"].

Pursuant to Rule 6(1) and 6(2) of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, the Company has received declaration from all the Independent Directors of the Company confirming that they have registered their names in the data bank of Independent Directors maintained with the IICA. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

#### **17. 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 this Annual Report.

#### **18. 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 Wholtime Director on goals (quantitative and qualitative) set since their appointment.

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.

#### **19. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION**

The 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 Companies Act, 2013 and forms part of this Report.

## **20. 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 - B** in the prescribed form **MGT-9** and forms part of this Report.

## **21. AUDITORS**

### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. J.V. Ramanujam & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five years at the AGM of the Company held on 22nd June, 2018. However, the requirement of ratification for appointment of auditor by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

During the year, there were no instances of fraud reported by the auditors. There are no qualifications, reservations, adverse remarks or disclaimers made by the Auditors in their Report.

### **Secretarial Auditors**

As per the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s. AXN Prabhu & Associates, Practising Company Secretaries, were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the Financial Year 2019 - 2020. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their Report. A text of the Report is also annexed as **Annexure C** and forms part of this Report.

## **22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Pursuant to Section 186(11) of the Companies Act, 2013 (“the Act”), the provisions of Section 186(4) of the Act requiring disclosure in the Financial Statements of the full particulars of the loans made and guarantees given or securities provided by a Non - Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report. Further, pursuant to the provisions of Section 186 (4) of the Act, the details of investments made by the Company are given in the Notes to the Financial Statements

## **23. TRANSACTIONS WITH RELATED PARTIES**

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

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

## **24. 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:

- 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.

- The Company is not involved in any Technological Absorption based activities. Hence same is not reportable.
- The Company has not dealt in any Foreign Exchange in any manner during the year under review. Hence the same is not reportable.

## **25. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

## **26. 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.

## **27. 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.

## **28. PARTICULARS OF EMPLOYEES**

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 / CFO	-	408000/- P.A.
Company Secretary Salary (Ms. Ayushi Sharma)	-	15000/- P.M.
Company Secretary Salary (Mr. A. Jithendra Kumar Bafna)	-	40000/- P.M.

## **29. 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.

## **30. INTERNAL CONTROL**

During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding 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. The information about internal controls is set out in the Management Discussion & Analysis report which is attached and forms part of this Report.

## **31. 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 forms part of this Board Report.

## **32. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL**

There are no significant or material orders passed by the Regulators or Courts or Tribunals which impacts the going concern status of the Company and its future operations.

## **33. RBI GUIDELINES**

The Company complies with all the applicable regulations, circulars, notifications, directions and guidelines issued by the Reserve Bank of India ("RBI"), from time to time, with respect to Non – Deposit Taking NBFC.



### **34. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS**

The applicable Secretarial Standards issued by the Institute of Company Secretaries of India relating to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2), have been duly complied by the Company. The Secretarial Standards Report is also annexed to Annexure - C and forms part of this Report.

### **35. 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. The details of the complaints reported pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013 are provided in the Corporate Governance Report. During the financial year 2019-20, No complaints remains pending as of 31st March, 2020.

### **36. 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**

**Place: Chennai  
Date: June 24, 2020**

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

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**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, 2020**

**(A) Personnel who are in receipt of remuneration aggregating not less than Rs. 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 Rs. 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**

**Place: Chennai  
Date: June 24, 2020**

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

## Form No. MGT - 9

## Extract of Annual Return as on the financial year ended on March 31, 2020

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

## I. REGISTRATION AND OTHER DETAILS:

<b>CIN</b>	L65993TN1985PLC012047
<b>Registration Date</b>	22/07/1985
<b>Name of the Company</b>	SRESTHA FINVEST LIMITED
<b>Category / Sub-Category of the Company</b>	COMPANY LIMITED BY SHARES
<b>Address of the Registered office and contact details</b>	No.35/1, Muthu Krishnan Street, Kondithope, Chennai-600079 Contact: 044 2520 6006 Email: srestha.info@gmail.com
<b>Whether listed company</b>	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any:</b>	M/s. PURVA SHAREGISTRY (INDIA) PVT LTD No. 9, Shiv Shakti IndEstt, J.R. Boricha Marg, Lower Parel (East), Mumbai – 400011 Tel: email: support@purvashare.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

<b>S. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the product / service</b>	<b>% to total turnover of the Company</b>
1.	Financial Services	K9	99.34%

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

The Company does not have any holding, subsidiary or associate company

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. PROMOTER</b>										
<b>1. Indian</b>										
Individual/ HUF	0	0	0	0	0	0	0	0	0	0
Central Government	0	0	0	0	0	0	0	0	0	0
State Government	0	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0	0
Banks / Financial Institutions	0	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Foreign</b>										
NRIs-Individuals	0	0	0	0	0	0	0	0	0	0
Other-Individuals	0	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0	0
Banks / Financial Institutions	0	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>1. Institutions</b>										
Mutual Funds	0	0	0	0	0	0	0	0	0	0
Banks / Financial Institutions	0	0	0	0	0	0	0	0	0	0
Central Government	0	0	0	0	0	0	0	0	0	0
State Government	0	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0	0
FIs	0	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non Institutions</b>										
<b>a) Bodies Corp.</b>										
(i) Indian	0	0	0	0	0	0	0	0	0	0
(ii) Overseas	0	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>										
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	877820	3588300	4466120	5.41	963731	3507850	4471581	5.42	0.12	
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	20918995	2901250	23820245	28.87	32370484	2495250	34865734	42.26	46.37	
<b>c) Others(Specify)</b>										
Hindu Undivided Family	23111950	-	23111950	28.01	12111945	-	12111945	14.68	(47.59)	
Limited Liability Partnership	-	-	-	-	22000000	-	22000000	26.67		
Clearing Members	38469		38469	0.05	-	-	-	-	-	
Other Body Corporates	30263516	799700	31063216	37.65	8251040	799700	9050740	10.97	(70.86)	
<b>Sub-total (B)(2)</b>	<b>75210750</b>	<b>7289250</b>	<b>82500000</b>	<b>100.00</b>	<b>75697200</b>	<b>6802800</b>	<b>82500000</b>	<b>100.00</b>	<b>-</b>	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>75210750</b>	<b>7289250</b>	<b>82500000</b>	<b>100.00</b>	<b>75697200</b>	<b>6802800</b>	<b>82500000</b>	<b>100.00</b>	<b>-</b>	
<b>C. SHARES HELD BY CUSTODIAN FOR GDRs &amp; ADRs</b>										
<b>GRAND TOTAL(A+B+C)</b>	<b>75210750</b>	<b>7289250</b>	<b>82500000</b>	<b>100.00</b>	<b>75697200</b>	<b>6802800</b>	<b>82500000</b>	<b>100.00</b>	<b>-</b>	

(ii) Shareholding of Promoters (including Promoter Group): **NIL**

(iii) Change in Promoter's (including Promoter Group) Shareholding (please specify, if there is no change) **Not Applicable**

(iv) Shareholding Pattern of Top ten shareholders (other than Directors, Promoters and holder of GDRs and ADRs):

S. No.	Particulars	Shareholding at the beginning of the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>1</b>	<b>Dharam Kirthi Bafna HUF</b>					
	At the beginning of the year	1,21,00,000	14.67%	-	1,21,00,000	14.67%
	Changes during the year	-	0.00%		-	0.00%
	At the end of the year	1,21,00,000	14.67%		1,21,00,000	14.67%
<b>2</b>	<b>Vandami Advisory LLP*</b>					
	At the beginning of the year	1,10,00,000	13.33%	-	1,10,00,000	13.33%
	Changes during the year	-	0.00%		-	0.00%
	At the end of the year	1,10,00,000	13.33%		1,10,00,000	13.33%
<b>3</b>	<b>RVB Business Consultancy Services LLP*</b>					
	At the beginning of the year	1,10,00,000	13.33%	-	1,10,00,000	13.33%
	Changes during the year	-	0.00%		-	0.00%
	At the end of the year	1,10,00,000	13.33%		1,10,00,000	13.33%
<b>4</b>	<b>Rain Tree Holdings Private Limited</b>					
	At the beginning of the year	82,50,000	10.00%	-	82,50,000	10.00%
	Changes during the year	-	0.00%		-	0.00%
	At the end of the year	82,50,000	10.00%		82,50,000	10.00%
<b>5</b>	<b>Kamlesh P</b>					
	At the beginning of the year	16,50,035	2.00%	Acquired	16,50,035	2.00%
	Changes during the year	-	0.00%		65,00,000	7.88%
	At the end of the year	16,50,035	2.00%		81,50,035	9.88%
<b>6</b>	<b>Jyothi Bafna</b>					
	At the beginning of the year	62,77,150	7.61%	-	62,77,150	7.61%
	Changes during the year	-	0.00%		-	0.00%
	At the end of the year	62,77,150	7.61%		62,77,150	7.61%
<b>7</b>	<b>Vinay Bafna</b>					
	At the beginning of the year	-	0.00%	Acquired	45,00,000	5.45%
	Changes during the year	-	0.00%		-	0.00%
	At the end of the year	-	0.00%		45,00,000	5.45%
<b>8</b>	<b>Yeswanti Bai M</b>					
	At the beginning of the year	30,83,417	3.74%	-	30,83,417	3.74%
	Changes during the year	-	0.00%		-	0.00%
	At the end of the year	30,83,417	3.74%		30,83,417	3.74%
<b>9</b>	<b>Brij Bhushan</b>					
	At the beginning of the year	28,20,856	3.42%	Transfer	28,20,856	3.42%
	Changes during the year	-	0.00%		(2,000)	0.00%
	At the end of the year	28,20,856	3.42%		28,18,856	3.42%
<b>10</b>	<b>Dhruv Bhushan</b>					
	At the beginning of the year	20,22,900	2.45%	-	20,22,900	2.45%
	Changes during the year	-	0.00%		-	0.00%
	At the end of the year	20,22,900	2.45%		20,22,900	2.45%

\* Shareholder No.2 have converted their status into LLP from Private Limited & Shareholder No.3 have converted their status into LLP from Public Limited

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Kamlesh Parasmal</b>	16,50,035	2.00 %	81,50,035	9.88 %



**B. INDEBTEDNESS:**

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

(Rs. In Lakhs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
a. Principal Amount	-	2169.88	-	2169.88
b. Interest due but not paid	-	-	-	-
c. Interest accrued but not due	-	-	-	-
<b>Total (a+b+c)</b>	-	2169.88	-	2169.88
<b>Change in Indebtedness during the financial year</b>				
a. Addition	-	781.23	-	-
b. Reduction	-	-	-	-
<b>Net Change</b>	-	781.23	-	-
<b>Indebtedness at the end of the financial year</b>				
a. Principal Amount	-	2951.11	-	2951.11
b. Interest due but not paid	-	-	-	-
c. Interest accrued but not due	-	-	-	-
<b>Total (a+b+c)</b>	-	2951.11	-	2951.11

**C. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

(Rs. In Lakhs)

S. No.	Particulars	Kamlesh Parasmal (Wholetime Director)	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.08	4.08
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
5	Others, Please Specify	-	-
	<b>TOTAL</b>	<b>4.08</b>	<b>4.08</b>

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

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

(Rs. In Lakhs)

S. No.	Particulars	Ayushi Sharma	A. Jithendra Kumar Bafna	CFO
<b>1</b>	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	<b>1.35</b>	<b>0.40</b>	-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
<b>2</b>	Stock Options	-	-	-
<b>3</b>	Sweat Equity	-	-	-
<b>4</b>	Commission	-	-	-
	as % of profit	-	-	-
<b>5</b>	Others, Please Specify	-	-	-
	<b>TOTAL</b>	<b>1.35</b>	<b>0.40</b>	-

\* Ms. Ayushi Sharma ceased to be Company Secretary w.e.f. closure of business hours on 14/01/2020

\* Mr. A. Jithendra Kumar Bafna was appointed as a Company Secretary w.e.f. 27/01/2020

#### **D. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences against the Company or its Directors or other Officers in default for the year ended March 31, 2020

## Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

*[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To**  
**The Members**  
**Srestha Finvest Limited**  
**No. 35/1, Muthu Krishnan Street,**  
**Chennai - 600079**

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 **31<sup>st</sup> March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31<sup>st</sup> March, 2020 according to the provisions as applicable to the Company during the period:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **[Not Applicable]**
- (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, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not Applicable]**

(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 (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not Applicable];**

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

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

(i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Other specific business/industry related laws that are applicable to the Company, viz.

**NBFC – CIC – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Regulations, Guidelines, Circulars, Notifications, etc.**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (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.

**I further report that:**

The Board of Directors of the Company is duly constituted

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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**

**Sd/-  
AXN Prabhu  
Proprietor**

**Place: Chennai  
Date: 13/05/2020**

**M. No.: PCS 11440  
UDIN: F003902B000236101**

**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**

**To  
The Members,  
Srestha Finvest 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**

**Sd/-  
AXN Prabhu  
Proprietor**

**Place: Chennai  
Date: 13/05/2020**

**M. No.: PCS 11440  
UDIN: F003902B000236101**

#### **SECRETARIAL STANDARDS REPORT**

**To  
The Members,  
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, 2020 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 2019-2020.

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**

**Sd/-  
AXN Prabhu  
Proprietor**

**Place: Chennai  
Date: 13/05/2020**

**M. No.: PCS 11440  
UDIN: F003902B000236101**

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 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.

## 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 2019-2020.

## 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.

# CORPORATE GOVERNANCE REPORT

## 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, 2015 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. No person has been denied access to the Audit Committee for any grievance. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 women director. 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 2019-20. Independent Directors are not serving as Independent Directors in more than seven listed companies.

### **(C) Other provisions as to Board and Committees**

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

Gopal B Ahuja as Non-Executive Independent Director. None of the Directors holds Directorships in more than 20 companies as stipulated in Section 165 of the Companies Act, 2013.

During the year 2019-20, four meetings of the Board of Directors were held on 30/05/2019, 31/07/2019, 13/11/2019, and 07/02/2020. The requisite quorum was present for all the Meetings. 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, 2020 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 27/09/2019, showing the position as on 31<sup>st</sup>March, 2020 are given below:

Name of the Director	Category	Number of Board Meetings during the year 2019-20		Whether attended last AGM
		Held	Attended	Yes / No
Mr. Kamlesh Parasmal	Whole Time Director	4	4	Yes
Mrs. Navitha Jain	Non Executive Non Independent Director	4	4	Yes
Mr. Manmohan	Chairman, Non Executive Independent Director	4	4	Yes
Mr. Gopal Biharilal Ahuja	Non Executive Independent Director	4	4	Yes

Particulars of Directors with their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31<sup>st</sup> March, 2020 are given below:

Name	Category	Other Directorships* as on 31 <sup>st</sup> March 2020	Number of Committee Membership** in other Companies as on 31 <sup>st</sup> March 2020**	Number of Committee Chairmanship** in other Companies as on 31 <sup>st</sup> March 2020
Mr. Kamlesh Parasmal	Whole Time Director	-	Nil	Nil
Mrs. Navitha Jain	Non Executive, Non Independent Director	-	Nil	Nil
Mr. Manmohan	Chairman, Non Executive Independent Director	-	Nil	Nil
Mr. Gopal Biharilal Ahuja	Non Executive Independent Director	-	Nil	Nil

\* Other directorships do not include alternate directorships, directorships of private limited companies, foreign companies and companies registered under Section 8 of Companies Act, 2013.

\*\*Chairmanships/Memberships of Board Committees include only Audit, Stakeholders Relationship and Nomination and Remuneration Committees of public limited companies.

## **(D) 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, 2020. The Annual Report of the Company contains a Certificate by the Chief Financial Officer in terms of Regulation 17 (8) of SEBI (LODR) Regulations, 2015 based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

(iii) The Board periodically reviews the compliance reports of all laws applicable to the Company.

## **(E) 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.

## **(F) Core Skills / Expertise / Competencies of the Board of Directors**

In terms of Listing Regulations, the list of core skills / expertise / competencies identified by the board are in the context of the company’s business and sector for effective functioning. The names of directors who have the above skills / expertise / competencies are as follows:

<b>Name</b>	<b>Skills/ Expertise/Competencies</b>
Kamlesh Parasmal	Leadership Qualities, Field Knowledge and Experience, Financial Expertise, Governance, Risk Management and Information Technology
Gopal Biharilal Ahuja	Leadership Qualities, Governance, Information Technology, Marketing and Risk Management
Manmohan	Leadership Qualities, Financial Expertise, Governance, and Risk Management
Navitha Jain	Leadership Qualities, Planning and Risk 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 and Regulation 18 of SEBI Listing Regulations 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 27/09/2019.

#### **(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 Audit Committee and number of meetings attended by the Members during the year are given below:

<b>Name of Member</b>	<b>Category</b>	<b>Meetings held during FY 2019-20</b>	<b>Meetings attended</b>
Mr. Gopal Biharilal Ahuja	Independent Director (Chairman of the Committee)	4	4
Mr. Manmohan	Independent Director (Member of the Committee)	4	4
Mrs. Navitha Jain	Non Independent Director (Member of the Committee)	4	4

During the year, Four Audit Committee meetings were held on 30/05/2019, 31/07/2019, 13/11/2019, and 07/02/2020.

The Committee meetings are attended by invitation to 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) Description and Terms of reference**

The terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the Regulation 19 of SEBI Listing Regulations and in compliance with Section 178 of the Companies Act, 2013 that include determination of the Company’s policy on specific remuneration packages for Directors.

The role of the Nomination and Remuneration Committee is

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

**(B) Composition, names of Members and Chairperson, its meetings and attendance during the year:**

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

<b>Name of Member</b>	<b>Category</b>	<b>Meetings held during FY 2019-20</b>	<b>Meetings attended</b>
Mr. Gopal Biharilal Ahuja	Independent Director (Chairman of the Committee)	4	4
Mr. Manmohan	Independent Director (Member of the Committee)	4	4
Mrs. Navitha Jain	Non Independent Director (Member of the Committee)	4	4

During the year, four meetings of Nomination and Remuneration Committee were held on 30/05/2019, 31/07/2019, 13/11/2019 and 07/02/2020.

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

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

### **(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**

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 2019-20 were Rs. 4.08 Lakhs P.A.

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

The Non-Executive Directors are entitled to sitting fee for attending the Board/Committee Meetings. No Sitting fee paid for attending each meeting of the Board, Audit and Nomination, Remuneration Committee and Executive Committee Meeting 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**

In line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the Stakeholders Relationship 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.

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 2019-20	Meetings attended
Mrs. Navitha Jain	Non Independent Director (Chairman of the Committee)	4	4
Mr. Gopal Biharilal Ahuja	Independent Director (Member of the Committee)	4	4
Mr. Manmohan	Independent Director (Member of the Committee)	4	4

During the year, 4 meetings of the Stakeholders Relationship Committee were held 30/05/2019, 31/07/2019, 13/11/2019, and 07/02/2020.

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

Mr. A. Jithendra Kumar Bafna, Company Secretary has been designated as Compliance Officer of the Company w.e.f. 27.01.2020 in line with the requirement of SEBI Regulations with the Stock Exchanges and can be contacted at:

#### **Srestha Finvest 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 2019-20

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

### 3.4. Corporate Social Responsibility (CSR) Committee

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

### 3.5. 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. In compliance with Regulation 25 (3) of SEBI Regulations and Schedule IV of Companies Act, 2013, the Independent Directors Meeting was held on 24/06/2020, inter alia, to;

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company's management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting. In line with Regulation 17A of SEBI Listing Regulations, none of the Independent Directors serve as Independent Directors in more than seven listed entities. The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 and relevant rules framed thereunder from Independent Directors. The Company has also received declaration from all the Independent Directors of the Company confirming that they have registered their names in the data bank of Independent Directors maintained with the IICA. All requisite declarations have been placed before the Board.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that



they are independent of the management.

### **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 Parasmal, 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 24/06/2020 and all the members had attended the meeting.

### **4. Disclosures with respect to demat suspense account/ unclaimed suspense account**

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:

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: **NIL**
- number of shareholders who approached listed entity for transfer of shares from suspense account during the year: **NIL**
- number of shareholders to whom shares were transferred from suspense account during the year: **NIL**
- aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: **NIL**

**Transfer of Unclaimed Dividend to IEPF: NIL**

**Unclaimed Dividend: NIL**

### **5. Proceeds from Public Issues, Rights Issue, Preferential issue, etc**

During the financial year 2019-2020, the Company has not raised any funds through any of the above issues. Also, there were no funds raised through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

### **6. Subsidiary Companies**

The Company does not have any Subsidiary Company. Hence, the policy for determining 'material' subsidiaries is not applicable to the company.

### **7. Certificate from Company Secretary in Practice**

The Company has obtained a certificate from M/s. AXN Prabhu & Associates, Company Secretaries, required under SEBI Regulations confirming that none of the Directors on Board of the Company as of 31<sup>st</sup> March, 2020 has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI/ MCA or any such authority. The said Certificate is also annexed as **Annexure – F** to this Report.

### **8. Total Fees paid to Statutory Auditor**

During FY 2019-20, total consolidated fees of Rs. 30,000/- was paid to the Statutory Auditors of the Company and all entities in the network firm / network entity of which the Statutory Auditors are a part of, for all the services rendered to the Company.

### **9. CEO / CFO Certification**

As required under Regulation 17 (8) read with Part B of Schedule II of SEBI Listing Regulations, Mr. Kamlesh Parasmal, the Wholetime Director and Chief Financial Officer (CFO) of the Company, certified to the Board

regarding the Financial Statements and internal controls relating to financial reporting for the year ended 31st March, 2020. The said Certificate forms part of this Report and is attached herewith as **Annexure - D**.

Also, in terms of Regulation 33 (2) of SEBI Listing Regulations, Mr. Kamlesh Parasmal, the Wholetime Director and CFO of the Company gave quarterly certification on financial results while placing the financial results before the Board.

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

In Compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company is committed to providing and promoting a safe and healthy work environment for all its employees. The following complaints were reported:

Number of complaints filed during the financial year	<b>NIL</b>
Number of complaints disposed of during the financial year	<b>NIL</b>
Number of complaints pending as on end of the financial year	<b>NIL</b>

## **11. Disclosures**

### **(A) Basis of Related Party Transactions**

The statements containing the transactions with related parties (if any) were submitted periodically to the Audit Committee. There are no related party transactions that may have potential conflict with the interest of the Company at large. 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. The policy on dealing with related party transactions is available on the website of the Company, i.e., [www.srestha.co.in](http://www.srestha.co.in)

### **(B) Details of Non Compliance**

There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or RBI or any statutory authority, on any matter related to capital market, during the last three years other than penalty paid to exchanges for Non - compliance of Regulation 95 (1) of SEBI (ICDR) Regulations, 2009 for delay of six days in the Financial Year 2018 - 2019. The company has duly remitted the said amount of penalty, i.e., Rs.141600/- and the Company has complied with all provisions of the Listing Regulations and other SEBI Regulations, wherever applicable.

### **(C) 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 in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder. 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.

### **(D) Compliance with Mandatory Requirements**

The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by the Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations to the extent applicable to the Company.

The company has also adopted the following discretionary requirements specified in Part E of Schedule II in terms of regulation 27(1) of the Listing Regulations:

- Quarterly financial statements are published as per the requirements and uploaded on Company's website [www.srestha.co.in](http://www.srestha.co.in)
- The financial statements of the Company are with unmodified audit opinion.

## **(E) 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.

## **(F) Management Discussion and Analysis Report**

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

## **12. 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 annexed as **Annexure - E** to this Report.

## **13. Annual Secretarial Compliance Report**

Pursuant to SEBI Circular No. CIR/CFD/CMD/27/2019 dated February 08, 2019, the Annual Secretarial Compliance Report issued by M/s. AXN Prabhu & Associates, Practising Company Secretaries, for the Financial Year 2019-2020, confirms that the company complies with all applicable SEBI Regulations and Circulars/Guidelines issued thereunder and has been submitted to the Stock Exchanges within stipulated time.

## **14. Reconciliation of Share Capital**

As stipulated by SEBI, a Quarterly Reconciliation of Share Capital Audit is done by a qualified Chartered Accountant to confirm that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of shares in dematerialised form held with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## **15. General Body Meetings**

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

<b>Year Resolution</b>	<b>Date</b>	<b>Venue of Meeting</b>	<b>Time</b>	<b>Whether any Special resolution passed in previous AGM</b>
2016-2017	28.09.2017	No. 35/1, Muthu Krishnan Street, Chennai - 600079	10.00 AM	One
2017-2018	22.06.2018	Samudaya Nala Koodam, Vallanur, Ambattur, Chennai - 600062	10.00 AM	One
2018-2019	27.09.2019	No. 35/1, Muthu Krishnan Street, Chennai - 600079	10.00 AM	Two

### **(B) Special Resolution passed last year through postal ballot – details of voting pattern and procedure thereof:**

NIL

### **(C) Person who conducted the postal ballot exercise: Not Applicable**

### **(D) Special Resolution proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

## 16. 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

## 17. General Shareholder Information

### a. Annual General Meeting:

- **Date:** 30/09/2020
- **Time:** 09:00 A.M.
- **Venue:** The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM

b. **Financial Year:** The financial year covers the period from 1st April to 31st March.

### Financial Results (Tentative):

First Quarter ending 30th June' 2020: on or Before 14.08.2020

Second Quarter and Half Year ending 30th September 2020: on or Before 14.11.2020

Third Quarter ending 31st December 2020: on or Before 14.02.2021

Fourth Quarter and Year ending 31st March 2021: on or Before 30.05.2021

c. **Dividend Payment Date:** N.A.

### d. Listing on Stock Exchanges:

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

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

The Company has paid the Annual Listing Fees to each of the above Stock Exchanges where the shares of the Company are listed.

### e. 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

f. **Date of Book Closure:** 24/09/2020 to 30/09/2020 (both days inclusive)

### g. Market price information

The reported high and low closing prices during the year ended 31st March, 2020 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-2019 to 31-Mar-2020**

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Nov 19	1.88	1.88	1.88	1.88	1	1	1	1	100.00	0.00	0.00
Dec 19	1.90	3.11	1.90	3.11	80,238	67	2,08,682	69,638	86.79	1.21	1.21
Jan 20	3.25	5.55	3.25	5.55	9,586	106	43,650	8,922	93.07	2.30	2.30
Feb 20	5.65	6.60	5.64	6.60	6,272	32	37,250	6,272	100.00	0.96	0.95
Mar 20	6.72	6.86	6.69	6.86	534	7	3,596	534	100.00	0.17	0.14

### h. 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. Boricha Marg, Lower Parel (East), Mumbai-400011

### i. Shareholding as on 31st March, 2020

#### (a) Distribution of shareholding as on 31st March, 2020

Shareholding of Nominal Value	No. of Shareholders	% of Shareholders	Amount (in Rs.)	% to Equity
1-5000	1029	76.73	1340102	0.81
5,001 - 10,000	75	5.59	505158	0.31
10,001 - 20,000	76	5.67	1002284	0.61
20,001 - 30,000	70	5.22	1806104	1.09
30,001 - 40,000	5	0.37	186900	0.11
40,001 - 50,000	3	0.22	130900	0.08
50,001 - 1,00,000	22	1.64	1407386	0.85
1,00,001 & ABOVE	61	4.55	158621166	96.13
<b>TOTAL</b>	<b>1341</b>	<b>100.00</b>	<b>165000000</b>	<b>100.00</b>

**(b) Shareholding pattern as on 31st March, 2020**

S.No.	Category	No. of Shares Held	Percentage of Shareholding
<b>A</b>	<b>Promoter's Holding</b>		
a	Promoters	-	-
b	Persons acting in Concert	-	-
	<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>B</b>	<b>Non Promoters Holding</b>		
a	FII's	-	-
b	Private Body Corporate	9050740	10.97
c	Indian Public	61337315	74.35
d	NRI / OCB	-	-
e	Others	-	-
f	Clearing Members	-	-
g	Hindu Undivided Family	12111945	14.68
h	Shares represented by GDRs	-	-
	<b>Sub Total</b>	<b>82500000</b>	<b>100</b>
	<b>Grand Total</b>	<b>82500000</b>	<b>100</b>

**j. Share Transfer System**

Pursuant to Regulation 40 (9) of SEBI Listing Regulations, 2015, a half-yearly certificate is obtained from M/s. AXN Prabhu & Associates, Practising Company Secretaries, confirming the issue of share certificates for transfer, sub-division, consolidation etc., and a copy thereof is uploaded at both the websites of Stock Exchanges, BSE and MSEI, within stipulated time period.

Member's requests for transfer or transmission of securities and other related matters are handled by Registrar and Transfer Agent, i.e., M/s. Purva Sharegistry (India) Private Limited and are effected within stipulated timelines, if all the documents are valid and in order.

Further, the Compliance Certificate under Regulation 7(3) of the SEBI Listing Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

**k. Dematerialisation of shares and liquidity**

91.76% of the total equity capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March, 2020. 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.

**l. 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.

**m. Plant locations**

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

**n. Address for correspondence**

The Company Secretary  
Srestha Finvest Ltd,  
No.35/1, Muthu Krishnan Street, Kondithope, Chennai - 600079.  
Email: srestha.info@gmail.com



**CERTIFICATE BY CHIEF FINANCIAL OFFICER**

*(Under Regulation 17 (8) of SEBI (LODR) Regulations, 2015)*

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

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

- A.** I had reviewed financial statements and the cash flow statement for the year ended **31.03.2020** 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 that:
- (i) there have been no significant changes in internal control over financial reporting during the year;
  - (ii) there have been no significant changes in accounting policies during the year; and
  - (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Place: Chennai**  
**Date: June 24, 2020**

**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, 2020, 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 my information and according to the explanations given to me, 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 efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Place: Chennai  
Date: June 30, 2020**

**Sd/-  
J Vedantha Ramanujam  
Partner  
M. No. 022188  
UDIN: 20022188AAAADM9468**

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**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, 2020.

**By Order of the Board of Directors  
For Srestha Finvest Limited**

**Place: Chennai  
Date: June 24, 2020**

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To**  
**The Members of SRESTHA FINVEST LIMITED**  
**No. 35/1, Muthu Krishnan Street, Kondithope, Chennai – 600079**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Srestha Finvest Limited** having **CIN L65993TN1985PLC012047** and having registered office at No. 35/1, Muthu Krishnan Street, Kondithope, Chennai - 600079 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

<b>S. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Date of Appointment in Company*</b>
<b>1</b>	KamleshParasmal	00810823	November 26, 2019
<b>2</b>	Manmohan	02613893	October 12, 2011
<b>3</b>	Gopal Biharilal Ahuja	02613947	October 12, 2011
<b>4</b>	Navitha Jain	07492584	March 09, 2019

**\*the date of appointment is as per the MCA Portal**

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

**For AXN Prabhu& Associates**  
**Company Secretaries**

**Sd/-**  
**AXN Prabhu**  
**Proprietor**

**FCS 3902 | C.P. NO. 11440**  
**UDIN: F003902B000400540**

**Date: June 30, 2020**  
**Place: Chennai**

# 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 31 March 2020 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, 2020, and its loss after tax, total comprehensive 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 provision of the Companies Act, 2013 and the Rules thereunder, and 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 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 statement 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 the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations,

or has no realistic alternative but to do so.

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

### **Auditor's Responsibility 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**

As required by Companies (Audit 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 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 branch not visited by us].
- (d) 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.
- (e) on the basis of the written representations received from the Directors as on 31<sup>st</sup> March 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a Director in terms of Section 164(2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) 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: 029475**

Sd/-

**J Vedantha Ramanujam**  
**Partner**

**Place: Chennai**  
**Date: June 24, 2020**

**M. No. 022188**  
**UDIN: 20022188AAAAD9203**

**“Annexure A” to Independent Auditors’ Report  
 (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, 2020)**

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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, 2020 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.

xi) Based upon the audit procedures performed and according to 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;

xii) 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: 029475**

**Sd/-**

**J Vedantha Ramanujam**  
**Partner**

**Place: Chennai**  
**Date: June 24, 2020**

**M. No. 022188**  
**UDIN: 20022188AAAAD9203**

**“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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to

Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

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

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and jointly controlled companies, which are companies incorporated in India, as of that date.

**For J V RAMANUJAM & Co.,  
Chartered Accountants  
FRN: 029475**

**Sd/-**

**J Vedantha Ramanujam  
Partner**

**Place: Chennai  
Date: June 24, 2020**

**M. No. 022188  
UDIN: 20022188AAAAD9203**

# Balance Sheet as at 31<sup>st</sup> March, 2020

(in Rs.)

Particulars	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash And Cash Equivalents	3	1,40,29,780	2,81,24,753
(b) Bank Balance Other Than (a) Above		-	-
(c) Derivative Financial Instruments		-	-
(d) Receivables		-	-
(I) Trade Receivables		-	-
(II) Other Receivables	4	-	1,25,248
(e) Loans	5	45,08,37,105	36,37,68,764
(f) Investments	6	32,19,807	68,85,740
(g) Other Financial Assets (to be specified)	7	10,70,889	2,50,684
<b>Non-Financial Assets</b>			
(a) Inventories		-	-
(b) Current tax assets (Net)		-	-
(c) Deferred tax Assets (Net)	8	79,897	73,868
(d) Investment Property		-	-
(e) Biological Assets Other Than Bearer Plants		-	-
(f) Property, Plant And Equipment	9	95,108	1,55,566
(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	6,56,250	8,53,125
<b>Total Assets</b>		<b>46,99,88,836</b>	<b>40,02,37,748</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>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 enterprises and small enterprises		-	-
(II) Other Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	2,79,538	2,21,128
(c) Debt Securities		-	-
(d) Borrowings (Other than Debt Securities)	12	29,51,11,041	21,69,88,574
(e) Deposits		-	-
(f) Subordinated Liabilities		-	-
(g) Other Financial Liabilities (to be specified)		-	-
<b>Non-Financial Liabilities</b>			
(a) Current Tax Liabilities (Net)		-	-
(b) Provisions	13	25,89,600	30,16,955
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Financial Liabilities (to be specified)	14	24,29,227	18,44,581
<b>Equity</b>			
(a) Equity Share Capital	15	16,50,00,000	16,50,00,000
(b) Other Equity	16	45,79,430	1,31,66,510
<b>Total Equity And Liabilities</b>		<b>46,99,88,836</b>	<b>40,02,37,748</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. Ramanujam & Co.,  
Chartered Accountants  
FRN. 02947S**

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

**Sd/-  
J Vedanta Ramanujam  
Partner  
M. No. 022188  
Chennai | 24 June, 2020**

**Sd/-  
Jithendra Kumar A Bafna  
Company Secretary**

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

**Sd/-  
Navitha Jain  
Director  
DIN: 07492584**

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

(in Rs.)

Particulars	Note	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
<b>Revenue from operations</b>			
(a) Interest Income	17	4,13,63,979	3,96,26,830
(b) Dividend Income	18	1,01,500	79,600
(c) Rental Income		-	-
(d) Fees and commission Income		-	-
(e) Others (to be specified)		1,75,000	-
<b>I. Total Revenue from operations</b>		<b>4,16,40,479</b>	<b>3,97,06,430</b>
<b>II. Other Income (to be specified)</b>		-	-
<b>III. Total Income (I+II)</b>		<b>4,16,40,479</b>	<b>3,97,06,430</b>
<b>Expenses</b>			
(a) Finance Costs	19	2,42,19,551	1,86,05,000
(b) Fees and commission expense		-	-
(c) Impairment on financial instruments		-	-
(d) Employee Benefits Expenses	20	45,93,270	45,18,713
(e) Depreciation, amortization and impairment	9	68,458	1,06,147
(f) Others expenses (to be specified)	21	1,48,41,173	2,07,27,413
<b>IV. Total Expenses (IV)</b>		<b>4,37,22,451</b>	<b>4,39,57,273</b>
<b>V. Profit / (loss) before exceptional items and tax (III- IV)</b>		(20,81,972)	(42,50,843)
<b>VI. Exceptional items</b>		-	-
<b>VII. Profit/(loss) before tax (V - VI)</b>		(20,81,972)	(42,50,843)
<b>VIII. Tax Expense:</b>			
(a) Current Tax		-	-
(b) Short Provision for Previous year		67,679	-
(c) Deferred Tax		(6,029)	(5,829)
<b>IX. Profit/(loss) for the period from continuing operations (VII - VIII)</b>		(21,43,622)	(42,45,014)
<b>X. Reversal of excess Provisioning for Non-Performing Assets</b>		(6,06,105)	-
<b>XI. Provisioning for Standard Assets</b>		9,75,731	-
<b>XII. Profit/(loss) for the period (IX+X+XI)</b>		(25,13,248)	(42,45,014)
<b>XIII. Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Subtotal (A)</b>		-	-
(B) (i) Items that will be reclassified to profit or loss Gain on Fair value of Equity Instruments		(60,73,832)	3,92,044
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		(60,73,832)	3,92,044
<b>XIV. Other Comprehensive Income (A + B)</b>		(60,73,832)	3,92,044
<b>Total Comprehensive Income for the period (XII+XIV)</b>		<b>(85,87,080)</b>	<b>(38,52,970)</b>
<b>Earnings per equity share (Face value Rs. 2/- per equity share)</b>			
Basic (Rs.)		(0.03)	(0.05)
Diluted (Rs.)		(0.03)	(0.05)

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. 029475**

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

**Sd/-**  
**J Vedanta Ramanujam**  
**Partner**  
**M. No. 022188**  
**Chennai | 24 June, 2020**

**Sd/-**  
**Jithendra Kumar A Bafna**  
**Company Secretary**

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

**Sd/-**  
**Navitha Jain**  
**Director**  
**DIN: 07492584**

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2020

### A. Equity Share Capital

	<i>(in Rs.)</i>
Equity share capital	Amount
Balance as at 1 April 2018	1 500 000 000
Changes in equity share capital during 2018-19	1 500 000 000
<b>Balance as at 31 March 2019</b>	<b>1 650 000 000</b>
Changes in equity share capital during 2019-20	0
<b>Balance as at 31 March 2020</b>	<b>1 650 000 000</b>

### B. Other Equity

Particulars	Reserve and Surplus				Other Comprehensive Income	Total
	Statutory Reserves	Capital Reserve	Securities Premium	Retained Earnings		
<b>Balance as at 01 April 2018</b>	2352563	-	25000000	4666917		32019480
Profit/Loss for the year						-
Other Comprehensive Income/Loss						-
<b>Total Comprehensive Income for the year</b>	-	-	-	(4245014)	392044	(3852970)
Securities Premium on bonus issue of equity share capital			(15000000)			(15000000)
Transfers to Statutory reserves						-
Transfers to General reserves						-
Transfer to/from retained earnings						-
<b>Balance as at 31st March 2019</b>	2352563	-	10000000	421903	392044	13166510
Profit/Loss for the year						-
Other Comprehensive Income/Loss						-
<b>Total Comprehensive Income for the year</b>	-	-	-	(2513248)	(6073832)	(8587080)
Transfers to Statutory reserves						-
Transfers to General reserves						-
Transfer to/from retained earnings						-
Any other change (to be specified)						-
<b>Balance as at 31st March 2020</b>	2352563	-	10000000	(2091345)	(5681788)	4579430

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

		(in Rs.)
Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
<b>Cash Flows from Operating Activities:</b>		
<b>Net Profit after Taxation and Extraordinary Item</b>	(85,87,080)	(38,52,970)
Adjustments for :		
Depreciation	68,458	1,06,147
Finance Cost (Net)	-	-
Provisioning for Statutory Reserves (net)	9,75,731	-
Deferred Tax Liability	-	-
<b>Operating Profit before Working Capital Changes</b>	(75,42,891)	(37,46,823)
(Increase) Decrease in Current Assets	8,75,72,453	1,65,12,141
Increase (Decrease) in Current Liabilities	7,73,62,437	4,08,45,787
<b>Cash Generated from Operations</b>	(1,77,52,906)	2,05,86,823
Deferred Tax Liability	-	-
<b>Cash Flow before Extraordinary Items</b>	(1,77,52,906)	2,05,86,823
Adjustment for Extraordinary Items	-	-
<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	(1,77,52,906)	2,05,86,823
<b>Cash Flows from Investing Activities:</b>		
Purchase of Fixed Assets	8,000	-
Purchase of Investments	(36,65,933)	68,85,740
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	(36,57,933)	68,85,740
<b>Cash flow from Financing Activities:</b>		
Issue of Equity Shares during the year	-	-
<b>NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(1,40,94,974)	1,37,01,083
<b>Cash and Cash Equivalents at beginning of Period</b>	2,81,24,753	1,44,23,670
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	1,40,29,780	2,81,24,753
	(1,40,94,974)	1,37,01,083
	-	-

As per our Report of even date  
For J.V. Ramanajam & Co.,  
Chartered Accountants  
FRN. 029475

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

Sd/-  
J Vedanta Ramanujam  
Partner  
M. No. 022188

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

Sd/-  
Navitha Jain  
Director  
DIN: 07492584

Chennai  
24 June, 2020

Sd/-  
Jithendra Kumar A Bafna  
Company Secretary

# 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 if any.

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 if any are recognized when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned if any 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 if any 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 Equipment's (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 written down 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 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 offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to 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 also 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 value less 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 lessor 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.

**FINANCIAL ASSETS**

(in Rs.)

**NOTE 3: CASH & CASH EQUIVALENTS****31 March 2020****31 March 2019**

Cash on hand	11,18,524	1,44,866
Balances with Scheduled Banks In Current Accounts		
Kotak Mahindra Bank	1,28,87,788	2,79,58,826
Punjab National Bank	23,468	21,062
	<b>1,40,29,780</b>	<b>2,81,24,753</b>

**NOTE 4: OTHER RECEIVABLES**

Other Receivables		
Rohit Jain	-	1,25,248
	-	<b>1,25,248</b>

**NOTE 5: LOANS****A. Loans**

(i) Bills Purchased and Bills Discounted	-	-
(ii) Loans repayable on Demand	-	-
(iii) Term Loans	-	-
(iv) Leasing	-	-
(v) Factoring	-	-
(vi) Others (to be specified)	-	-

**Total (A) - Gross**

Less: Impairment loss allowance

<b>(B) (i) Secured by tangible assets</b>	-	-
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government Guarantees	-	-
(iv) Unsecured	-	-
Total (B)-Gross	-	-
Less: Impairment loss allowance	-	-
<b>Total (B)- Net</b>	-	-

**(C) (I) Loans in India**

(i) Public Sector

(ii) Others

Inter Corporate Loans

Total (C)- Gross

Less: Impairment loss allowance

**Total (C) (I) - Net**

(C) (II) Loans outside India

Less: Impairment loss allowance

**Total (C) (II)- Net****Total C(I) and C(II)**

	45,08,37,105	36,37,68,764
	45,08,37,105	36,37,68,764
	45,08,37,105	36,37,68,764
	45,08,37,105	36,37,68,764
	45,08,37,105	36,37,68,764
	45,08,37,105	36,37,68,764
	<b>45,08,37,105</b>	<b>36,37,68,764</b>

**NOTE 6: INVESTMENTS**Investments measured at Fair Value through Other Comprehensive Income  
In Equity Shares of Other Companies

Quoted, Fully paid up

Investments

	32,19,807	68,85,740
	<b>32,19,807</b>	<b>68,85,740</b>

**NOTE 7: OTHER CURRENT ASSETS**

Interest Receivable

Income Tax Refundable

Geojit Financial Services Ltd.

TDS (A.Y.2019-2020)

TDS (A.Y.2020-2021)

	40,819	15,663
	2,33,308	-
	1,68,843	1,713
	-	2,33,308
	6,27,919	-
	<b>10,70,889</b>	<b>2,50,684</b>



**NOTE 6: INVESTMENT**

(In Rs.)

Particulars	Current Year						Previous Year					
	At Fair Value						At Fair Value					
	Amortised Cost	Other Comprehensive Income	Through profit or loss	Sub Total	Others	Total	Amortised Cost	Other Comprehensive Income	Through profit or loss	Sub Total	Others	Total
	(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)=(1)+(4)+(5)	(8)	(9)	(10)	(11)=(9)+(10)	(12)	(13)=(8)+(11)+(2)
Mutual funds												
Government securities												
Other approved securities												
Debt securities												
<b>Equity instruments</b>		<b>3219807</b>		<b>3219807</b>		<b>3219807</b>		<b>6885740</b>		<b>6885740</b>		<b>6885740</b>
Subsidiaries												
Associates												
Joint Ventures												
Others		0		0		0						
<b>Total – Gross (A)</b>		<b>3219807</b>		<b>3219807</b>		<b>3219807</b>		<b>6885740</b>		<b>6885740</b>		<b>6885740</b>
(i) Investments outside India												
(ii) Investments in India		3219807		3219807		3219807		6885740		6885740		6885740
<b>Total (B)</b>		<b>3219807</b>		<b>3219807</b>		<b>3219807</b>		<b>6885740</b>		<b>6885740</b>		<b>6885740</b>
Total (A) to tally with (B)		0		0		0		0		0		0
Less: Allowance for Impairment loss (C)												
<b>Total – Net D= (A) - (C)</b>		<b>3219807</b>		<b>3219807</b>		<b>3219807</b>		<b>6885740</b>		<b>6885740</b>		<b>6885740</b>

**NOTE 8: DEFERRED TAX ASSETS (NET)**

31 March 2020

31 March 2019

Deferred Tax Asset	(73,868)	(68,039)
Less : Deferred Tax Liability	(6,029)	(5,829)
	<b>(79,897)</b>	<b>(73,868)</b>

**NOTE 10: OTHER NON-FINANCIAL ASSETS**

Secured Considered Good		
Unsecured Considered Good		
Rental Advance	6,00,000	6,00,000
Others		
Preliminary Expenses	2,53,125	4,50,000
Less:- Written Off During The Year	1,96,875	1,96,875
	56,250	2,53,125
	<b>6,56,250</b>	<b>8,53,125</b>

**NOTE 11: OTHER PAYABLES**

Payables		
(I) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro:	2,79,538	2,21,128
	<b>2,79,538</b>	<b>2,21,128</b>

**NOTE 12: BORROWINGS**

At Amortised Cost		
(i) Term Loans	-	-
(ii) Loans from Related Parties	-	-
(iii) Loans repayable on Demand	-	-
(iv) Secured	-	-
(v) Unsecured		
a) Other Parties	29,51,11,041	21,69,88,574
A. Borrowings in India	29,51,11,041	21,69,88,574
B. Borrowings Outside India	-	-
	<b>29,51,11,041</b>	<b>21,69,88,574</b>

**NOTE 13: PROVISIONS**

<b>Provision for employee benefits</b>	-	-
Others:		
Audit Fees Payable	-	-
Provision for Income Tax	-	7,96,981
Provision for Non Performing Assets	15,00,000	21,06,105
Contingent Provisions against Standard Assets	10,89,600	1,13,869
	<b>25,89,600</b>	<b>30,16,955</b>

**NOTE 14: OTHER NON FINANCIAL LIABILITIES**

<b>Statutory Dues &amp; Taxes Payable</b>		
TDS Payable	24,29,227	18,44,581
	<b>24,29,227</b>	<b>18,44,581</b>

## NOTE 15: EQUITY SHARE CAPITAL

	31.03.2020	31.03.2019
<b>15.1 Authorised, Issued, Subscribed and Paid up Capital</b>		
a. Authorised Capital		
8,25,00,000 Equity Shares of Rs 2/- each	16,50,00,000	16,50,00,000
b. Issued, Subscribed and Paid up Capital		
8,25,00,000 Equity Shares of Rs 2/- each	16,50,00,000	16,50,00,000
<b>15.2 Reconciliation of number of Equity Shares Outstanding</b>		
Shares Outstanding at the beginning of the year	8,25,00,000	7,50,00,000
Note :- Adjusted Opening Balance on account of Stock Split during the year from Face Value Rs.10/- to Rs.2/- Each	-	-
Add: Shares Issued during the year (Bonus Shares)		75,00,000
Shares Outstanding at the end of the year	8,25,00,000	8,25,00,000

**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

Name of the Shareholders	Nos	(%)	Nos	(%)
1. DharamKirthi B (Huf)	12100000	(14.67)%	12100000	(14.67)%
2. Vandami Advisory LLP	11000000	(13.33)%	11000000	(13.33)%
3. RVB Business Consultancy Services LLP	11000000	(13.33)%	11000000	(13.33)%
4. Deepak Kanuga (Huf)		0%	11000000	(13.33)%
5. Rain Tree Holding Pvt Ltd	8250000	(10.00)%	8250000	(10.00)%
6. Kamlesh	8150035	(9.87)%	1650035	(2.00)%
7. JyothiBafna	6277150	(7.61)%	6277150	(7.61)%
8. Vinay Bafna	4500000	(5.45)%		0%

## NOTE 16: OTHER EQUITY

	31 March 2020	31 March 2019 (In Rs.)
<b>16.1 Securities Premium</b>		
Opening Balance	1,00,00,000	2,50,00,000
Less: Issue of Bonus Shares	-	(1,50,00,000)
Closing Balance	1,00,00,000	1,00,00,000
<b>16.2 Statutory Reserve:</b>		
Opening Balance	23,52,563	23,52,563
Add: Addition during the year	-	-
Closing Balance	23,52,563	23,52,563
<b>16.3 Profit &amp; Loss Account:</b>		
Opening Balance	4,21,903	46,66,917
Add : Profit for the Year	(25,13,248)	(42,45,014)
Less : Transferred to Statutory Reserve	-	-
Closing Balance	(20,91,345)	4,21,903
<b>16.4 Other Comprehensive Income:</b>		
Opening Balance	3,92,044	
Add : Movement in OCI (Net) during the year	(60,73,832)	3,92,044
	<b>(56,81,788)</b>	<b>3,92,044</b>
	<b>45,79,430</b>	<b>1,31,66,510</b>

**NOTE 17: INTEREST INCOME**

	<b>31 March 2020</b>	<b>31 March 2019</b> <i>(In Rs.)</i>
Interest Income	4,10,71,824	3,94,29,091
Interest on IT Refund	-	61,195
Bank Interest	2,92,155	1,36,544
	<b>4,13,63,979</b>	<b>3,96,26,830</b>

**NOTE 18: DIVIDEND INCOME**

Dividend Income	1,01,500	79,600
	<b>1,01,500</b>	<b>79,600</b>

**NOTE 19: FINANCE COSTS**

Interest Expense	2,42,19,409	1,86,04,752
Bank Charges	142	248
	<b>2,42,19,551</b>	<b>1,86,05,000</b>

**NOTE 20: EMPLOYEES BENEFIT EXPENSES**

Salaries & Allowances	43,34,500	43,23,000
Staff Welfare Expenses	2,58,770	1,95,713
	<b>45,93,270</b>	<b>45,18,713</b>

**NOTE 21: OTHER EXPENSES**

Advertisement Expenses	40,787	14,468
Audit Fees	30,000	-
Bad Debts	1,08,29,060	1,61,93,546
Books & Periodicals	16,610	16,380
Business Promotion Expenses	2,34,964	2,21,446
Electricity Charges	36,807	27,131
General Expenses	28,500	30,500
Listing Fees	3,55,000	3,72,500
Loss On Trading of Equity Shares	11,96,312	7,30,264
Office Expenses	4,19,760	5,49,305
Postage and Stamps	61,648	49,601
Preliminary Expenses Written off	1,96,875	1,96,875
Printing and Stationery	71,738	81,967
Processing Fees	-	-
Professional Fees	3,68,324	8,42,423
Provision for Bad & Doubtful Debts	-	5,13,750
Rates And Taxes	1,26,223	60,651
Rent Payments	6,00,000	6,00,000
Repairs and Maintenance	73,608	85,640
ROC Fees	7,800	6,600
Rounded Off	(136)	(0)
Share Expenses	23,075	52,446
Telephone Expenses	22,478	14,000
Travelling And Conveyance	1,01,740	67,920
	<b>1,48,41,173</b>	<b>2,07,27,413</b>

## NOTE 9: PLANT, PROPERTY AND EQUIPMENT (PPE)

(In Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As At 31/03/2019	Additions	Deductions / Transfers	As At 31/03/2020	Up to 31/03/2019	For the Year	Deletion	Up to 31/03/2020	As At 31/03/2019	As At 31/03/2020
<b>TANGIBLE ASSETS</b>										
Furniture & Fittings	5,66,714	-	-	5,66,714	4,19,163	61,728	-	4,80,891	85,823	1,47,551
Cash Counting Machines	7,000	-	-	7,000	6,580	-	-	6,580	420	420
Air Conditioner	35,000	-	-	35,000	27,534	5,742	-	33,276	1,724	7,466
Computer & Peripherals	1,62,600	-	-	1,62,600	1,62,471	-	-	1,62,471	129	129
Two Wheeler	-	8,000	-	8,000	-	988	-	988	7,012	-
<b>Total Tangible Assets</b>	<b>7,71,314</b>	<b>8,000</b>	<b>-</b>	<b>7,79,314</b>	<b>6,15,748</b>	<b>68,458</b>	<b>-</b>	<b>6,84,206</b>	<b>95,108</b>	<b>1,55,566</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>7,71,314</b>	<b>8,000</b>	<b>-</b>	<b>7,79,314</b>	<b>6,15,748</b>	<b>68,458</b>	<b>-</b>	<b>6,84,206</b>	<b>95,108</b>	<b>1,55,566</b>
<b>Previous Year</b>	<b>7,02,464</b>	<b>68,850</b>	<b>-</b>	<b>7,71,314</b>	<b>3,45,439</b>	<b>1,64,162</b>	<b>-</b>	<b>5,09,601</b>	<b>2,61,713</b>	<b>3,57,025</b>

## NOTE 9: DEPRECIATION

### Details of Fixed Assets and Depreciation Schedule for Income Tax Purposes

**FINANCIAL YEAR 2019 – 2020**

**ASSESSMENT YEAR 2020 – 2021**

Block	Assets	W.D.V. as on 01-Apr-19	Additions during the year			Deletions/ Transfer during the year	Total	Depreciation Rate	Depreciation for the year	W.D.V. as on 31-Mar-20
			above 180 days	below 180 days	Total					
1	Furniture & Fittings	3,82,696	-	-	-		3,82,696	10%	38,270.00	3,44,426
2	Cash Counting Machine	4,299	-	-	-		4,299	15%	645.00	3,654
3	Air Conditioner	25,288	-	-	-		25,288	15%	3,793.00	21,495
4	Computer	31,895	-	-	-		31,895	40%	12,758	19,137
5	Two Wheeler	-	-	8,000	8,000		8,000	15%	600	7,400
		<b>4,44,178</b>	<b>-</b>	<b>8,000</b>	<b>8,000</b>	<b>-</b>	<b>4,52,178</b>		<b>56,066</b>	<b>3,96,112</b>

## 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.

**March 31, 2020**

(In Rs.)

Description	Carrying Amount				Fair value hierarchy
	Amortised cost	FVTPL	FVTOCI	Total	
<b>A. Financial Assets</b>					
Investments	-	-	32,19,807	32,19,807	Level 1
Loans	45,08,37,105	-	-	45,08,37,105	NA
Trade receivables	-	-	-	-	NA
Cash and cash equivalents	1,40,29,780	-	-	1,40,29,780	NA
Other bank balances	-	-	-	-	NA
Other financial assets	10,70,889	-	-	10,70,889	NA
<b>B. Financial Liabilities</b>					
Borrowings	29,51,11,041	-	-	29,51,11,041	NA
Trade payables	-	-	-	-	NA
Other financial liabilities	27,08,765	-	-	27,08,765	NA

**March 31, 2019**

(In Rs.)

Description	Carrying Amount				Fair value hierarchy
	Amortised cost	FVTPL	FVTOCI	Total	
<b>A. Financial Assets</b>					
Investments	-	-	68,85,740	68,85,740	Level 1
Loans	36,37,68,764	-	-	36,37,68,764	NA
Trade receivables	1,25,248	-	-	1,25,248	NA
Cash and cash equivalents	2,81,24,753	-	-	2,81,24,753	NA
Other bank balances	-	-	-	-	NA
Other financial assets	2,50,684	-	-	2,50,684	NA
<b>B. Financial Liabilities</b>					
Borrowings	29,51,11,041	-	-	29,51,11,041	NA
Trade payables	-	-	-	-	NA
Other financial liabilities	20,65,709	-	-	20,65,709	NA



## 22. FRESH ISSUE OF EQUITY SHARE CAPITAL

During the year ended 31 March 2020, the Company had not issued any Shares to the existing shareholders 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	4,08,000/-
2.	Ms. Ayushi Sharma (From 01.04.2019 – 14.01.20) – Company Secretary	Salary	1,35,000/-
3.	Mr. A. Jithendra Kumar Bafna (From 27.01.2020 – 31.03.2020) – Company Secretary	Salary	40,000/-

## 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 J.V. Ramanajam & Co.,  
Chartered Accountants  
Firm Reg. No. 029475**

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

**Sd/-  
J Vedantha Ramanujam  
Partner  
Membership No.022188**

**Sd/-  
Kamlesh Parasmal  
Whole Time Director/CFO  
(DIN: 00810823)**

**Sd/-  
Navitha Jain  
Director  
(DIN: 07492584)**

**Place: Chennai  
Date: 24/06/2020**

**Sd/-  
Jithendra Kumar A Bafna  
Company Secretary**

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. You may also use the services provided by our RTA at their website ([www.purvashare.com](http://www.purvashare.com)).

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*	_____
E-mail	_____
Nationality	_____
Name of the Bank**	_____
Bank A/c No.	_____
Bank IFSC	_____
Bank A/c. Type	_____
Bank Branch	_____
In case member is a minor, name of the guardian:	_____
Mobile No.	_____
Phone Number with STD Code	_____

\*Self-attested copy of the document(s) enclosed | \*\* A copy of preprinted cancelled cheque enclosed

Name and Signatures:

i.

**Thanking you,  
For Srestha Finvest Limited**

**Authorised Signatory**



## **SRESTHA FINVEST LIMITED**

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**No.35/1, Muthu Krishnan Street,  
Kondithope, Chennai – 600079  
e-mail: [srestha.info@gmail.com](mailto:srestha.info@gmail.com)**