

SUMMIT SECURITIES LIMITED

Corporate Identification Number: L65921MH1997PLC194571

Registered Office: 213, Bezzola Complex, B Wing, 71, Sion-Trombay Road, Chembur, Mumbai - 400071

Tel No.: +91-22-25292152/54/55 Fax No: +91-22-25297423

Website : www.summitsecurities.net Email : investors@summitsecurities.net ; summitsec@gmail.com

August 28, 2020

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor
Plot No C/1, G Block
Bandra Kurla Complex
Bandra East
Mumbai 400 051

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Symbol: SUMMITSEC

Security Code: 533306

Security ID: SUMMITSEC

Sub: Submission of AGM Notice and Annual Report for FY 2019-20.

Dear Sir,

This is to inform that the Twenty Third Annual General Meeting (AGM) of Summit Securities Limited will be held on Friday, September 25, 2020 at 11.00 a.m. (I.S.T.) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') facility, without the physical presence of the Members at a common venue, in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India in this regard.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 30(2) read with Part A of Schedule III of the said Regulations, please find enclosed herewith the Annual Report for FY 2019-20 including the Notice of this AGM, which is being sent electronically to the members, whose Email IDs are registered with the Company/Depository Participants.

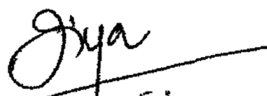
The Notice of this AGM inter alia indicates the process and manner of remote e-Voting/ e-Voting at the AGM and instructions for participation at the AGM through VC/OAVM facility.

The aforesaid Annual Report for FY 2019-20 including the Notice of this AGM is also available on the website of the Company viz. www.summitsecurities.net.

Kindly take the same on record and acknowledge the receipt.

Thanking you

Yours faithfully
For Summit Securities Limited



Jiya Gangwani
Company Secretary

Encl: As above

SUMMIT SECURITIES LIMITED
ANNUAL REPORT 2019-20

BOARD OF DIRECTORS:

| | |
|---------------------|--------------------------------------|
| RAMESH D. CHANDAK | Chairman, Non-Executive, Independent |
| A. N. MISRA | Non-Executive Director |
| H. N. SINGH RAJPOOT | Non-Executive Director |
| A. V. NERURKAR | Non-Executive, Independent Director |
| H. C. DALAL | Non-Executive, Independent Director |
| PREM KAPIL | Non-Executive, Independent Director |
| SNEHA RANADE | Non-Executive, Independent Director |

COMPANY SECRETARY AND COMPLIANCE OFFICER:

JIYA GANGWANI

REGISTERED OFFICE :

213, Bezzola Complex,
B Wing, 71, Sion-Trombay Road,
Chembur, Mumbai 400 071.
Phone: +91-22-25292152/54/55
Fax: +91-22-25297423
E-mail: investors@summitsecurities.net;
summitsec@gmail.com
Website: www.summitsecurities.net

AUDITORS :

M/s. CHATURVEDI & SHAH LLP,
CHARTERED ACCOUNTANTS

REGISTRAR AND SHARE TRANSFER AGENTS :

TSR DARASHAW CONSULTANTS PRIVATE LIMITED
6-10, Haji Moosa Patrawala Industrial Estate
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011.
Phone: +91-22-6656 8484
Fax: +91-22-6656 8494
E-mail: csg-unit@tsrdarashaw.com

BANKERS :

HDFC BANK LIMITED
ICICI BANK LIMITED
KOTAK MAHINDRA BANK LIMITED

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NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of Summit Securities Limited will be held on Friday, September 25, 2020 at 11.00 a.m. Indian Standard Time ("I.S.T.") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Auditors and the Board of Directors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. A. N. Misra (DIN: 00350790), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulations 16, 17 and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') as amended from time to time, the Articles of Association of the Company and upon recommendation of the Nomination and Remuneration Committee, Mr. Abhay Nerurkar (DIN: 00045309), who was appointed as an Independent Director of the Company and holds office up to October 28, 2020 and who has given a declaration that he meets the criteria of independence as stipulated in Section 149(6) of the Act, the applicable provisions under the Listing Regulations and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his re-appointment as an Independent Director of the Company, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from October 29, 2020 up to October 28, 2025."

NOTES:

1. In view of the continuing COVID-19 pandemic, to ensure social distancing as a norm to be followed, and in accordance with the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated

April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 (collectively referred to as 'MCA Circulars') and Circular dated May 12, 2020 issued by the Securities and Exchange Board of India ('SEBI') and in compliance with the provisions of the Companies Act, 2013 ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Twenty Third Annual General Meeting of the members of the Company ('AGM') is being held through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. National Securities and Depository Limited (NSDL) shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 16 below and is also available at the Company's website www.summitsecurities.net.

2. In accordance with the Secretarial Standard-2 on General Meetings 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 located at 213, Bezzola Complex, B Wing, 71, Sion-Trombay Road, Chembur, Mumbai – 400071.
3. An Explanatory Statement setting out material facts, pursuant to Section 102 of the Act, which sets out details relating to the Special Business at the AGM, is annexed hereto.
4. Brief details of the Directors who are seeking appointment/re-appointment, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Clause 1.2.5 of Secretarial Standards on General Meetings ('SS-2') issued by The Institute of Company Secretaries of India ('ICSI'), are annexed hereto.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Attendance of the Members through VC/OAVM facility only, will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013. Accordingly, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
6. 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.
7. Pursuant to Regulation 40 of the Listing Regulations, as amended, with effect from April 1, 2019, transfer of securities of the Company would be carried out in dematerialized form only, except in case of transmission or transposition of securities. Members

- holding shares in physical form are therefore requested to convert their holdings into the dematerialised eliminate risks associated with physical shares and to avail various benefits of dematerialisation.
8. Pursuant to provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 19, 2020 upto Friday, September 25, 2020 (both days inclusive).
9. Consolidation of Folios:
Members holding shares in the same name or in the same order of names, under different folios, are requested to notify the relevant details of their said holdings to TSR Darashaw Consultants Private Limited at 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 for consolidation of their shareholding into a single folio.
10. Change in address/ email address/contact numbers etc.:
Members are requested to notify immediately any change in their address:
a) If the shares are held in physical form to:
(i) The Company at its Registered Office at:
Summit Securities Limited
213, Bezzola Complex,
B Wing, 71, Sion-Trombay Road,
Chembur, Mumbai - 400 071
E-mail: investors@summitsecurities.net
OR
(ii) The Registrar and Share Transfer Agents of the Company at the following address:
TSR Darashaw Consultants Private Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011
E-mail: csg-unit@tsrdarashaw.com
b) If the shares are held in demat form: to the respective Depository Participants.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents.
12. The Company after compliance with the due procedure laid down under Clause 5A of the erstwhile Listing Agreement entered into with the Stock Exchanges, now Regulation 39 of the Listing Regulations, had transferred the shares covered under the share certificates, which remained unclaimed by members, to a "Suspense Demat Account" opened with Keynote Capitals Limited, Depository Participant. Members who wish to claim their equity shares are therefore, requested to write to the Company or to the Registrar and Share Transfer Agents., viz., TSR Darashaw Consultants Private Limited alongwith requisite documentary proof to claim their shares.
13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the accompanying Notice and Explanatory Statements will be available for inspection through electronic mode without any fee, on all working days, except weekends up to the date of AGM, by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to summitsecuritiesagm2020@gmail.com.
14. **ELECTRONIC DISPATCH OF ANNUAL REPORT:**
In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report of FY 2019-20 is being sent only through electronic mode to those Members whose email IDs are registered with the Company / Depositories. Members may note that the Notice and Annual Report of FY 2019-20 will also be available on the Company's website www.summitsecurities.net under 'Financials' tab, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of National Securities Depository Limited ('NSDL') i.e. www.evoting.nsdl.com.
15. **REGISTRATION OF EMAIL ID:**
i. **FOR MEMBERS HOLDING PHYSICAL SHARES:**
The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their email may get their email IDs registered with the Company's RTA TSR Darashaw Consultants Private Limited at csg-unit@tsrdarashaw.com by providing a request letter duly signed by the first holder thereby providing details such as Name, folio number, Certificate number, self-attested PAN, mobile number and email ID and also upload the image of share certificate in PDF or JPG format (up to 1 MB).
ii. **FOR MEMBERS HOLDING SHARES IN DEMAT MODE:**
The Members holding shares in demat mode are requested to register their email IDs, with the respective DP by following the procedure prescribed by the concerned DP.
However, for receiving soft copy of the annual report, the members can send an email to summitsecuritiesagm2020@gmail.com and provide the details such as Name of shareholder, DPID/ Client ID, PAN and mobile number.

16. PARTICIPATION AT THE AGM AND VOTING:**A. The details of the process and manner for participating in the Annual General Meeting ('AGM') through VC / OAVM are explained herein below:**

- i. Members will be provided with a facility to attend the AGM through VC/OAVM through the National Securities Depositories Limited ("NSDL") e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- ii. The Members can join the AGM in the VC / OAVM mode 30 (thirty) minutes before the scheduled time of the commencement of the Meeting and window for joining the Meeting shall be kept open throughout the proceedings of the AGM.
- iii. Members are encouraged to join the Meeting through Laptops / IPads connected through broadband for a better experience. Please note that Participants connecting from mobile devices or tablets or through Laptop via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network connections. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- iv. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, DP ID and Client ID/ folio number, email id, PAN, mobile number at summitsecuritiesagm2020@gmail.com between 9.00 a.m. (IST) on Saturday, September 19, 2020 and 5.00 p.m. (IST) on Monday, September 21, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- v. Members who do not wish to speak during the AGM but have queries on accounts or any matter to be placed at the AGM may send the same latest by Tuesday, September 22, 2020 mentioning their name, DP ID and Client ID/ folio number, PAN, mobile Number at summitsecuritiesagm2020@gmail.com. These queries will be replied suitably either at the AGM or by an e-mail.

- vi. Corporate/ Institutional Members intending to appoint their authorised representatives to attend and vote at the AGM through VC/OAVM or through remote e-Voting are requested to send a scanned copy (PDF/JPG format) of their Board/Corporate Resolution authorizing its representative(s) to attend and vote on their behalf as such, pursuant to Section 113 of the Act, to the Scrutinizer by e-mail at summitsecurities.scrutinizer@gmail.com.
- vii. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

B. Remote e-Voting and Voting at AGM:

- i. Pursuant to Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and Secretarial Standard - 2 (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting facility. The facility of casting the votes by the Members using an electronic voting system before the meeting as well as during the AGM will be provided by National Securities Depository Limited ("NSDL").
- ii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Friday, September 18, 2020 ("the cut-off date"). Any person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting before the AGM and during the AGM.
Any person who acquires the shares of the Company post-dispatch of the Notice of this AGM but holding the shares prior to the cut-off date, may follow the same procedure as mentioned below for e-voting.
- iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM by way of VC / OAVM facility only but shall not be entitled to cast their vote again at the AGM.
- iv. Mr. P. N. Parikh (Membership No. FCS 327) or failing him Mr. Mitesh Dhaliwala (Membership No. FCS 8331) or failing him Ms. Sarvari Shah (Membership No. FCS 9697) of Parikh Parekh & Associates, Company Secretaries, has been appointed to act as the Scrutinizer, to scrutinize the remote e-voting process before and e-voting process during the AGM in a fair and transparent manner.

- v. The Scrutinizer shall, immediately after the conclusion of the e-voting at the AGM , first count the votes cast during the Meeting and thereafter, unblock the votes cast through remote e-voting before the meeting and prepare and provide, not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall counter sign the same.
- vi. The Results declared along with the Report of the Scrutinizer shall be placed on the Company’s website (www.summitsecurities.net) and also be displayed on the website of NSDL (www.evoting.nsdl.com) immediately after the results are declared and simultaneously communicated to the Stock Exchanges.

The instructions for members for voting electronically are as under:-

The remote e-voting period will commence at 09:00 a.m. (I.S.T.) on Tuesday, September 22, 2020 and will end at 5:00 p.m. (I.S.T.) on Thursday, September 24, 2020. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Remote e-Voting prior to AGM

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

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

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under “Shareholder/Member section”.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113591 then user ID is 113591001*** |

5. Your password details are given below:

- i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- iii) How to retrieve your ‘initial password’?
 - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. You will be required to trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- ii. If your email ID is not registered, please follow steps mentioned below for procuring the User ID and password and registration of email IDs for e-voting for the resolutions set out in this notice:
- Member may send an email request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be:
- a) In case shares are held in physical mode please provide folio number, 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);
 - b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit Beneficiary ID), 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).
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - i. If you are holding shares in your demat account with NSDL or CDSL: Click on 'Forgot User Details / Password' option available on www.evoting.nsdl.com.
 - ii. If you are holding shares in physical mode: Physical User Reset Password option available on www.evoting.nsdl.com
 - iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your DP ID-Client ID / folio number, your PAN, your name and your registered address.
 - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
 10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon 5 (five) unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com to reset the password.
- Step 2: Cast your vote electronically on NSDL e-Voting system.**
1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select 'EVEN' of **Summit Securities Limited** which is **113591**.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- E-Voting at the AGM: -**
- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast 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 in the AGM.
 - iii. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- Guidelines and Assistance to Members: -**
- In case of any queries relating to e-voting, with respect to remote e-voting or e-voting at the AGM and Members who need assistance before or during the AGM and with use of technology, you can refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.:

1800-222-990 or can contact NSDL on evoting@nsdl.co.in or

- Ms. Pallavi Mhatre, Manager, NSDL pallavid@nsdl.co.in or at telephone number + 91 22 24994545; or
- Contact Ms. Sarita Mote, Assistant Manager, NSDL at SaritaM@nsdl.co.in or at telephone number + 91 22 24994890.

By Order of the Board of Directors

Date : June 23, 2020
Place : Mumbai

Jiya Gangwani
Company Secretary

Summit Securities Limited
CIN: L65921MH1997PLC194571

Registered Office:

213, Bezzola Complex, B Wing,
71, Sion-Trombay Road, Chembur, Mumbai 400071

Tel No.: +91-22-25292152/54/55

Website : www.summitsecurities.net

Email: investors@summitsecurities.net;
summitsec@gmail.com

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice dated June 23, 2020.

Item No. 3:

As per Section 149(10) of the Companies Act, 2013 ('the Act'), an independent director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Boards' Report. Further, as per Section 149(11) of the Act, no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for re-appointment after the expiration of three years of ceasing to become an independent director.

Pursuant to Section 149, 152 read with Schedule IV and other applicable provisions of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), Mr. Abhay Nerurkar (DIN: 00045309) was appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from October 29, 2015. Accordingly, the term of Mr. Nerurkar as an Independent Director's of the Company ends on October 28, 2020.

The Company has received a notice as required under Section 160 of the Act from a member proposing re-appointment of Mr. Nerurkar as an Independent Director of the Company.

The Company has received a declaration from Mr. Nerurkar, inter-alia, confirming that he meets the criteria of

independence as provided in Section 149 (6) of the Act and Rules framed thereunder, Regulation 16(1)(b) read with Regulation 25(8) of the Listing Regulations. The Company has also received his consent to act as an Independent Director and declaration that he is not disqualified or debarred from being appointed as a Director in terms of Section 164 of the Act and the Listing Regulations.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

Details as required pursuant to Regulation 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standards (SS-2) on General Meetings issued by the Institute of Company Secretaries of India, as applicable are provided as an annexure to the Notice. Details of Board Meetings attended by him during the year, remuneration drawn etc. are available in the Corporate Governance section of the Annual Report.

A copy of the draft letter of appointment of Mr. Nerurkar, setting out the terms and conditions of his appointment is available for inspection through electronic mode, basis the request being sent through email at summitsecuritiesagm2020@gmail.com.

Based on the skills, expertise and experience of Mr. Nerurkar, evaluation of his performance and recommendations of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at its meeting held on June 23, 2020 had approved the re-appointment of Mr. Nerurkar, as an "Independent Director", not liable to retire by rotation, for a term of five years with effect from October 29, 2020 upto October 28, 2025, subject to the approval of Members at the AGM.

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the special resolution set out at Item No. 3, except Mr. Nerurkar being an appointee himself.

By Order of the Board of Directors

Date : June 23, 2020
Place : Mumbai

Jiya Gangwani
Company Secretary

Summit Securities Limited
CIN: L65921MH1997PLC194571

Registered Office:

213, Bezzola Complex, B Wing,
71, Sion-Trombay Road, Chembur, Mumbai 400071

Tel No.: +91-22-25292152/54/55

Website : www.summitsecurities.net

Email: investors@summitsecurities.net;
summitsec@gmail.com

ANNEXURE TO THE NOTICE

Details of Directors' seeking Re-appointment at the Twenty-Third Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard-2 (SS-2) on General Meetings]

| Particulars | Name of the Director | |
|---|--|--|
| | Mr. A. N. Misra | Mr. Abhay Nerurkar |
| Date of First Appointment on the Board | 07/10/2010 | 29/10/2015 |
| Age | 56 years | 66 years |
| Qualification | <ul style="list-style-type: none"> • Graduate in Law; • MBA; • Master's in law; • Post Graduate Diploma in Computer Science (PGDCS); and • Diploma in Creative Writing in English. | <ul style="list-style-type: none"> • Graduate in Commerce; • Chartered Accountant; • Company Secretary; and • Cost Accountant. |
| Expertise | Mr. Misra has been a qualified Legal Practitioner prior to his career in the corporate sector. He has over 36 years of legal expertise both at the bar as well as in the industry. He has earlier worked with ICICI Bank and Aditya Birla Group before joining RPG Group. He has been with RPG Group for last 25 years and now holds the position of Chief Legal Officer and Executive Director - Properties of the Group. | Mr. Abhay Nerurkar is having over 40 years of total working experience comprising of corporate sector and his independent practice in the field of accounting, finance secretarial, banking and taxation. Since July 01, 2017, he is an Independent Practising Chartered Accountant. |
| Other Directorships | <ul style="list-style-type: none"> • Duncan Investments and Industries Limited; • Indent Investments Private Limited; • Doon Dooars Plantations Limited; • Janpragati Electoral Trust; • FPL Property Developers Private Limited; • Mantle Advisors Private Limited; • Elasto Consulting Private Limited. | <ul style="list-style-type: none"> • Doon Dooars Plantations Limited. |
| Membership/Chairmanship of Committees of the Board in other public Companies | Nil | Nil |
| Number of shares held in the Company | Nil | Nil |
| Relationship with other Directors and KMPs | None of the Directors are related to any other Director or KMP of the Company. | |

Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn etc., please refer to the Corporate Governance Report section of the Annual Report

BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Dear Members,

Your Directors are pleased to present their Twenty Third Report together with the Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2020:

FINANCIAL HIGHLIGHTS:

The summary of financial performance of the Company for the year under review is as given below:

(₹ in lakhs)

| | Standalone | | Consolidated | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 |
| Total Income | 3,106.90 | 1,411.74 | 8,190.84 | 3,839.75 |
| Profit before Depreciation & Tax | 2,444.11 | 1,202.78 | 7,036.70 | 3,515.95 |
| (-) Depreciation | 0.85 | 1.87 | 0.85 | 1.87 |
| Profit/(Loss) before Tax | 2,443.26 | 1200.91 | 7,035.85 | 3,514.08 |
| (-) Tax Expenses | (103.48) | 11.49 | (168.96) | 67.20 |
| Profit/(Loss) after Tax | 2,546.74 | 1,189.42 | 7,204.81 | 3,446.88 |
| (+) Other Comprehensive Income | (63,451.94) | (14,274.74) | (1,44,421.28) | (63,300.42) |
| Total Comprehensive Income for the year | (60,905.20) | (13,085.32) | (1,37,216.47) | (59,853.54) |

The Company has prepared the financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

FINANCIAL PERFORMANCE:

Revenue:

The total revenue for FY 2019-20 was ₹ 3,106.90 lakhs as compared to revenue of ₹ 1,411.74 lakhs of the previous year, due to higher dividend income, which was ₹ 3,092.06 lakhs for FY 2019-20 as compared to ₹ 1,374.81 lakhs in the previous year for Standalone financial statements. For consolidated financial statements, revenue was ₹ 8,190.84 lakhs as compared to ₹ 3,839.75 lakhs in the previous year due to higher dividend income, which was ₹ 8,130.43 lakhs for FY 2019-20 as compared to ₹ 3,691.13 lakhs in the previous year. The cashflow arising from the profits for the year has been deployed in the business.

The Other Comprehensive Income calculations include fair valuation of the equity investments of the Company. Due to the Covid-19 pandemic, the Indian equity market was significantly impacted, affecting the investment valuations as on March 2020. The valuations have subsequently improved in line with the markets bouncing back.

Expenses:

The total expenses for FY 2019-20 were ₹ 663.64 lakhs as compared to expenses of ₹ 210.83 lakhs for the previous year. The increase is mainly on account of Net loss on

fair value changes of ₹ 432.97 Lakhs for the FY 2019-20 as against Net loss on fair value changes of ₹ Nil in the previous year.

Profit After Tax:

Standalone Profit after Tax (PAT) for FY 2019-20 was ₹ 2,546.74 lakhs as compared to PAT of ₹ 1,189.42 lakhs during the previous year mainly due to increase in dividend income.

Consolidated Profit after Tax (PAT) for FY 2019-20 was ₹ 7,204.81 lakhs in comparison to PAT of ₹ 3,446.88 lakhs during the previous year mainly due to increase in dividend income.

Amounts proposed to be carried to reserves:

An amount of ₹ 509.35 lakhs has been transferred to Special Reserve as per the statutory requirements for standalone financial statement. The Company has not transferred any amount to General Reserves during the year.

DIVIDEND:

With a view to conserve resources and based on liquidity position including working capital requirements, your Directors consider it prudent not to recommend any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure & Developments, Opportunities and Future Outlook:

The COVID-19 pandemic had a negative impact on economic activity in the first half of 2020. Global recovery is projected to be more gradual, as GDP growth is projected to contract sharply.

Indian economy was facing a slowdown due to subdued demand and slower capex outlays. This has been further impacted by the COVID-19 pandemic which is driving market volatility and has caused severe business uncertainty across sectors. The equity markets witnessed a sharp fall in the last month of FY 2019-20 and had direct impact on the investment valuations of the Company, which recovered in the subsequent months. The future income from investments and the valuations of investments would depend on the global and domestic economic developments in the coming months and the resumption of activity upon gradual relaxation of lockdowns.

The Company is a Non-Banking Financial Company ('NBFC') registered with RBI as a Non-Deposit Accepting NBFY and derives major revenue from investments. Also, the value of the stocks, shares and bonds depends on the prevailing capital markets scenario. The future success of the Company continues to depend on its ability to anticipate the volatility of the financial markets, minimising risks and increasing returns through prudent investment decisions.

The investments of the Company are typically long term in nature and predominantly in the equity markets. All investments decisions are reviewed by the Board of Directors on a periodic basis.

b. Risks, Threats and Concerns:

Risk management comprises of identification, assessment, and prioritization of risks followed by co-ordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

The Risk Management Committee ('RMC') of the Board of Directors manages and monitors the Company's risks, as detailed herein below under the heading "Risk Management Process".

c. Internal control systems and their adequacy:

The Company has an adequate internal audit and control system commensurate with its size and nature of business to ensure operational efficiency, accuracy and promptness in financial reporting and compliance of various laws and regulations. The Audit Committee of the Board of Directors reviews the Internal Audit Report and the adequacy and effectiveness of internal controls periodically.

d. Human Resources:

Employee relations continued to remain cordial during the year under review. As on March 31, 2020, there were Nine (9) employees including Key Managerial Personnel ('KMP') of the Company.

e. Significant Changes in Key Financial Ratios (i.e. change of 25% or more as compared to immediately previous financial year) and Change in Return on Net Worth as compared to the

immediately previous financial year, along with a detailed explanation thereof:

Return on Net worth as on March 31, 2019: 0.66%

Return on Net worth as on March 31, 2020: 2.14%

As compared to previous year, the Company's Return on Net Worth has increased due to increase in the Net profit for FY 2019-20 on account of higher dividend income. Except for this, there is no significant change (i.e. change of more than 25%) in any other key financial ratios during the current financial year as compared to immediately preceding financial year.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

MATERIAL CHANGES AND COMMITMENTS:

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

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with Section 129(3) of the Companies Act, 2013 ('the Act') and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') the Consolidated Financial Statements of the Company and its subsidiaries, including the statement containing salient features of the financial statements of all the subsidiary companies of the Company as set out in prescribed Form AOC-1, forms part of this Annual Report.

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

SUBSIDIARY COMPANIES:

There was no change in the subsidiaries, joint ventures or associates during the year under review.

Further, the Financial Statements of the subsidiaries are uploaded on the website of the Company in accordance with Section 136 of the Act. The Financial Statements of these subsidiaries and the other related information will be made available to any Member of the Company seeking such information and also available for inspection at the Registered Office of the Company.

As required under Regulation 16(1)(c) of the Listing Regulations, the Company has formulated the Policy on Materiality of Subsidiaries and the same is published on the Company's website at the link:

<https://www.summitsecurities.net/files/corporate-governance/PolicyonMaterialSubsidiary.pdf>

RISK MANAGEMENT PROCESS:

Though, the requirements of constitution of the Risk Management Committee contained in Regulation 21 of the Listing Regulations are not yet applicable to the Company, the Board of Directors has constituted the Risk Management Committee of the Board of Directors ('RMC') in terms of the Guidelines on Corporate Governance issued by the Reserve Bank of India (RBI). The terms of reference of the RMC are in accordance with the aforesaid Guidelines, the Act and Listing Regulations as well.

RMC has formulated a Risk Management Policy. This policy defines a process to ensure that a structured, disciplined and consistent risk strategy, providing guidance for risk activity within the Company by embedding Enterprise Risk Management within the culture of the business is in place.

One of the element in the Risk Management Process as defined in the Risk Management Policy is identification and assessment of risks. The identified risks pertaining to the nature of business carried out by the Company comprise of Business Risks, Finance Risks, Regulatory Risks, Environment Risks, Information Technology Risks etc. Risk mitigation measures are also reviewed alongside the identified risks. A report on risk evaluation and mitigation covering the elements of risks, impact and likelihood, mitigation measures and risk assessment is periodically presented before the RMC for review and placed before the Board of Directors for information.

RELATED PARTY TRANSACTIONS:

The Company had formulated a Policy on Related Party Transactions for purpose of identification and monitoring of Related Party Transactions. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website under the link:

https://www.summitsecurities.net/files/corporate_governance/RelatedPartyTransactionPolicy.pdf

The Company has not entered into any transaction with related parties during the year under review which requires reporting in Form AOC-2 in terms of the Section 134(3) and 188(1) of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014.

There are no relationships between the Directors inter-se nor any relationship between the Key Managerial Personnel (KMP) inter-se.

None of the Directors nor KMP had any pecuniary relationships or transactions vis-a-vis the Company except the sitting fees paid to Directors and remuneration paid to KMPs.

EXTRACT OF THE ANNUAL RETURN:

Pursuant to Section 134(3)(a) of the Act read with Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 for the year ended March 31, 2020 is enclosed as **Annexure A** to this report and is also published on the Company's website www.summitsecurities.net

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company is registered as a non-banking financial company not accepting public deposits, with the Reserve Bank of India and having its principal business of making investments, the Company is accordingly exempted from the relevant provisions under Section 186 (11) of the Act.

PUBLIC DEPOSITS:

The Company has not accepted any deposits within the meaning of sub-section (31) of Section 2 and Section 73 of the Act and the Rules framed thereunder.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**a. Directors:**

During the year under review, pursuant to approval of the members at the 22nd Annual General Meeting of the Company held on September 25, 2019, Mr. H. C. Dalal (DIN: 00206232), Mr. Prem Kapil (DIN: 06921601) and Ms. Sneha Ranade (DIN: 06878346) were re-appointed as Non-Executive Independent Directors of the Company for the second term of five years w.e.f. September 27, 2019 up to September 26, 2024. Mr. Ramesh Chandak (DIN: 00026581) was appointed as a Non-Executive Independent Director of the Company for a term of five years w.e.f. September 27, 2019 up to September 26, 2024.

Pursuant to the provisions of the Act, and Articles of Association of the Company, Mr. A. N. Misra (DIN: 00350790), Non-Executive Director, retires by rotation and being eligible, has offered himself for re-appointment.

Mr. Abhay Nerurkar (DIN: 00045309) was appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from October 29, 2015. Accordingly, the term of Mr. Nerurkar as an Independent Director's of the Company ends on October 28, 2020.

Based on the skills, expertise and experience of Mr. Nerurkar, evaluation of his performance and recommendations of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at its meeting held on June 23, 2020 had approved the appointment of Mr. Nerurkar, as a "Non-Executive Independent Director", not liable to retire by rotation, for a term of five years with effect from October 29, 2020 upto October 28, 2025, subject to the approval of Members in this AGM.

Accordingly, it is proposed to re-appoint Mr. Nerurkar as a Non-Executive Independent Director for a second term of five (5) years with effect from October 29, 2020 up to October 28, 2025.

b. Key Managerial Personnel:

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the rules framed thereunder, the following persons were Key Managerial Personnel of the Company as on March 31, 2020:

1. Mr. Rohin Bomanji, Manager;
2. Mr. Paras Mal Rakhecha, Chief Financial Officer; and
3. Ms. Jiya Gangwani, Company Secretary.

During the year under review, in accordance with approval of the members at the 22nd Annual General Meeting of the Company held on September 25, 2019, Mr. Rohin Bomanji was appointed as the Manager of the Company for a period of 3 years w.e.f. August 5, 2019.

Further, there was no other change in the Key Managerial Personnel of the Company during the year under review.

c. Declarations from Independent Directors:

In terms of the provisions of sub-section (6) of Section 149 of the Act and Regulation 16 and other applicable provisions under Listing Regulations including amendment thereof, the Company has received declarations from all the Independent Directors of the Company that they meet with the criteria of independence as provided in the Act and Listing Regulations. There has been no change in the circumstances affecting their status as an Independent Director during the year.

In the opinion of the Board, Mr. H. C. Dalal (DIN: 00206232), Mr. Prem Kapil (DIN: 06921601) and Ms. Sneha Ranade (DIN: 06878346) who were re-appointed as Independent Directors and Mr. Ramesh Chandak (DIN: 00026581) who was appointed as an Independent Director during the year, are persons of integrity and have the relevant expertise and experience in accordance with the Nomination and Remuneration Policy of the Company.

The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within the time prescribed therein. The Independent Directors to whom the provisions of proficiency test are applicable, will take the said online proficiency self-assessment test in due course.

d. Familiarisation Programme for Independent Directors:

Pursuant to the Code of Conduct for Independent Directors specified under the Act and Regulation 25(7) of the Listing Regulations, the Company familiarises its Independent Directors on their roles,

rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the Company, etc. The note on this familiarisation programme is also posted on the Company's website under the link:

https://www.summitsecurities.net/files/Note_on_Familiarisation_Prog_for_Ind.pdf

MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors met four times during the year ended March 31, 2020, the details of the same are mentioned in the Corporate Governance Report, which forms part of this Annual Report.

BOARD COMMITTEES:

The Board Committees comprise of mandatory committees as per the Act and Listing Regulations viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and the Stakeholders Relationship Committee. The non-mandatory committees comprise of the Risk Management Committee, Asset Liability Management Committee and IT Strategy Committee constituted as per applicable RBI guidelines. Details of composition of these committees alongwith number of meetings held during the year and other related details are set out in the Corporate Governance Report which forms part of this Report.

AUDIT COMMITTEE:

The detailed composition and terms of reference of the Audit Committee is set out in the Corporate Governance Report which forms part of this Report.

There have been no situations where the Board has not accepted any recommendations of the Audit Committee.

ANNUAL PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS:

The Annual Evaluation as required under the Act and the Listing Regulations has been carried out by the Board of its own performance, the performance of each individual Director (including chairperson of Board) and its Committees. For this purpose, an Evaluation Questionnaire was prepared considering the criteria for evaluation in accordance with the Company's "Nomination and Remuneration Policy", approved by the Board on recommendation of the Nomination and Remuneration Committee, taking into account the applicable provisions under the Act and the rules made thereunder, the Listing Regulations read with the Circulars issued by SEBI in this regard, which inter-alia covered various aspects such as participation in meetings, contribution to strategic decision making, core governance and compliance, etc. The aforesaid Evaluation Questionnaire was circulated to all the Directors and their responses were received in a sealed envelope addressed to the Chairman of the Board of Directors and results thereof were then discussed in the next meeting of the Board of Directors.

REMUNERATION POLICY:

The Board of Directors has on the recommendation of the Nomination and Remuneration Committee adopted a Nomination and Remuneration Policy in terms of

the provisions of Section 178(3) of the Act and SEBI Listing Regulations dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The Policy inter-alia covers the criteria for determining qualifications, positive attributes and independence of a director, etc. The Detailed Policy is given as **Annexure B** and is also posted on the Company's website under the link: https://www.summitsecurities.net/files/corporate_governance/Nomination_and_Remuneration_Policy.pdf

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Act, your Directors to the best of their knowledge and belief confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (b) such accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss for the financial year ended March 31, 2020;
- (c) proper and sufficient care has been taken for the 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 fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;
- (f) the systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named Whistle Blower Policy ('WBP') for directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The WBP is also posted in the Company's website at the link:

https://www.summitsecurities.net/files/corporate_governance/Whistle_BlowerPolicy.pdf

PARTICULARS OF EMPLOYEES:

- a. A statement containing the Disclosures pursuant to Section 197(12) of the Act and Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure C** to this Report.
- b. The statements required under Section 197 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

('the Rules'), as amended, form part of this Report and will be made available to any Member on request. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

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

The Company is a Non-Banking Financial Company and engaged in investments and financial activities and, as such, its operations do not account for substantial energy consumption. However, the Company adopts all possible measures to conserve energy and at the same time several environment friendly measures are adopted by the Company.

The provisions relating to research and development and technology absorption are not applicable to the Company. During the year under review, there have been no transactions in the Company relating to foreign exchange earnings and outgo.

CORPORATE SOCIAL RESPONSIBILITY:

The Board had constituted a Corporate Social Responsibility ("CSR") Committee, in terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy of the Company is available on the Company's website at the link: https://www.summitsecurities.net/files/corporate_governance/CSR_Policy.pdf

The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure D**.

BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2) of the SEBI Listing Regulations, 2015, as amended, inter alia, provides that the annual report of the top 1000 listed entities based on market capitalisation (calculated as on 31st March of every financial year) shall include a Business Responsibility Report (BRR).

Being one of the top 1000 listed companies, the Company has presented its first BRR for the financial year 2019-20, which is part of this Annual Report and is attached as **Annexure E**.

STATUTORY AUDITORS:

M/s. Chaturvedi & Shah, Chartered Accountants were re-appointed as the Statutory Auditors of the Company at the Twenty First AGM of the Company held on September 27, 2018 to hold office from the conclusion of the Twenty First AGM till the conclusion of the Twenty Sixth AGM. During the year 2018-19, the firm of M/s. Chaturvedi & Shah, Chartered Accountants, Statutory Auditors was converted into an LLP with same Firm Registration Number and accordingly known as M/s. Chaturvedi & Shah LLP, Chartered Accountants.

M/s. Chaturvedi & Shah LLP, Chartered Accountants have confirmed that they are eligible to act as the Statutory Auditors of the Company for FY 2020-21.

INTERNAL AUDITORS:

M/s. V. S. Somani & Co, Chartered Accountants were the Internal Auditors of the Company for the FY 2019-20. They have consented act as Internal Auditors of the Company for FY 2020-21.

Based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on June 23, 2020 re-appointed M/s. V. S. Somani & Co., Chartered Accountants as the Internal Auditors of the Company for FY 2020-21.

SECRETARIAL AUDITORS:

M/s. Parikh Parekh & Associates, Company Secretaries were appointed as the Secretarial Auditors for conducting the Secretarial Audit in accordance with Section 204 of the Act for the year ended March 31, 2020. The Secretarial Audit Report prepared in accordance with sub-section (3) of Section 134 and Section 204(1) of the Act in the prescribed Form MR-3 by M/s. Parikh Parekh & Associates, Company Secretaries is attached as **Annexure F** to this Report.

EXPLANATION AND COMMENTS ON AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT:

There is no qualification, reservation or adverse remark or disclaimer made either by the Statutory Auditor in Auditors Report or by the Company Secretary in Practice (Secretarial Auditor) in the Secretarial Audit Report.

Further, the Statutory Auditors have not reported any instances of fraud to the Central Government and Audit Committee as per the provisions of Section 143(12) of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

CORPORATE GOVERNANCE:

A report on Corporate Governance along with a certificate from the Auditors of the Company stipulated pursuant to Regulation 34 of the Listing Regulations are annexed as **Annexure G** to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there was no change in the nature of business.

INTERNAL FINANCIAL CONTROL:

Details in respect of adequacy on internal financial controls with reference to the financial statements are stated in the Management Discussion and Analysis section of this Report.

MAINTENANCE OF COST RECORDS:

The provisions of Section 148(1) of the Act are not applicable to the Company.

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

The Company has in place a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee ('ICC') had been set up to redress complaints. During the year under review, no complaints were received by ICC.

SECRETARIAL STANDARDS:

The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record its gratitude for the continued support and co-operation extended by the Government authorities, banks, members and employees of the Company.

On behalf of the Board of Directors

Ramesh D. Chandak
Chairman
DIN: 00026581

Place: Mumbai
Date: June 23, 2020

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 Company (Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|-----|--|--|
| i | CIN | L65921MH1997PLC194571 |
| ii | Registration Date | January 30, 1997 |
| iii | Name of the Company | Summit Securities Limited |
| iv | Category/Sub-category of the Company | Company Limited by Shares Indian Non-Government Company |
| v | Address of the Registered office & contact details | 213, Bezzola Complex, B Wing,71, Sion-Trombay Road, Chembur,Mumbai- 400 071 Tel No : +91-22-25292152; Fax: +91-22-25297423 E-mail: investors@summitsecurities.net Website: www.summitsecurities.net |
| vi | Whether listed company | Yes on BSE Limited and National Stock Exchange of India Limited |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | TSR Darashaw Consultants Private Limited; 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Tel: 022-66568484; Fax: 022-66568494 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.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:-

| Name & Description of main products/ services | NIC Code of the Product /service | % to total turnover of the company |
|---|----------------------------------|------------------------------------|
| Investments in Securities | 64990 | 99.99% |

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:

| Sl. No. | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1. | Instant Holdings Limited ('Instant') 213, Bezzola Complex, "B" Wing, 71, Sion-Trombay Road, Chembur, Mumbai - 400071. | U65990MH2005PLC152062 | Subsidiary Company | 100% | 2(87) |
| 2. | Sudarshan Electronics & T.V. Limited 213, Bezzola Complex, "B" Wing, 71, Sion-Trombay Road, Chembur, Mumbai - 400071. | U32100MH1979PLC021889 | Subsidiary Company of Instant | - | 2(87) |

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):

(i) Category wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year i.e. April 01, 2019 | | | | No. of Shares held at the end of the year i.e. March 31, 2020 | | | | % change during the year |
|---|---|---------------|-------------------|-------------------|---|---------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. PROMOTERS: | | | | | | | | | |
| (1) Indian: | | | | | | | | | |
| a) Individual/HUF | 3,702 | 0 | 3,702 | 0.03 | 3,702 | 0 | 3,702 | 0.03 | 0.00 |
| b) Central Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corporate | 8,046,849 | 0 | 8,046,849 | 73.81 | 8,117,962 | 0 | 8,117,962 | 74.46 | 0.65 |
| e) Bank/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any Other: (Specify) | | | | | | | | | |
| f-1) Trusts | 16,162 | 0 | 16,162 | 0.15 | 16,202 | 0 | 16,202 | 0.15 | 0.00 |
| SUB TOTAL: (A)(1) | 8,066,713 | 0 | 8,066,713 | 73.99 | 8,137,866 | 0 | 8,137,866 | 74.65 | 0.65 |
| (2) Foreign: | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL: (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 8,066,713 | 0 | 8,066,713 | 73.99 | 8,137,866 | 0 | 8,137,866 | 74.65 | 0.65 |
| B. PUBLIC SHAREHOLDING: | | | | | | | | | |
| (1) Institutions: | | | | | | | | | |
| a) Mutual Funds | 85,526 | 339 | 85,865 | 0.79 | 73 | 339 | 412 | 0.00 | -0.78 |
| b) Banks/FI | 539 | 413 | 952 | 0.01 | 545 | 407 | 952 | 0.01 | 0.00 |
| c) Cental Government | 0 | 538 | 538 | 0.00 | 0 | 538 | 538 | 0.00 | 0.00 |
| d) State Governments(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 334,486 | 5 | 334,491 | 3.07 | 271,664 | 5 | 271,669 | 2.49 | -0.58 |
| g) Foreign Institutional Investors | 39,685 | 951 | 40,636 | 0.37 | 107 | 951 | 1,058 | 0.01 | -0.36 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL (B)(1): | 460,236 | 2,246 | 462,482 | 4.24 | 272,389 | 2,240 | 274,629 | 2.52 | -1.72 |
| (2) Non Institutions: | | | | | | | | | |
| a) Bodies Corporates: | | | | | | | | | |
| i) Indian | 555,406 | 1,993 | 557,399 | 5.11 | 418,006 | 1,983 | 419,989 | 3.85 | -1.26 |
| ii) Overseas | 99,019 | 103 | 99,122 | 0.91 | 99,019 | 103 | 99,122 | 0.91 | 0.00 |
| b) Individuals: | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lacs | 975,570 | 92,399 | 1,067,969 | 9.80 | 1,007,022 | 88,556 | 1,095,578 | 10.05 | 0.25 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹1 lacs | 457,801 | 0 | 457,801 | 4.20 | 619,982 | 0 | 619,982 | 5.69 | 1.49 |
| c) Others (specify): | | | | | | | | | |
| (i) Trusts | 7,319 | 0 | 7,319 | 0.07 | 7,319 | 0 | 7,319 | 0.07 | 0.00 |
| (ii) Unclaimed Securities Suspend Account | 25,421 | 0 | 25,421 | 0.23 | 25,419 | 0 | 25,419 | 0.23 | 0.00 |
| (iii) Director and Relatives | 2 | 1 | 3 | 0.00 | 2 | 1 | 3 | 0.00 | 0.00 |
| (iv) Non-Resident Indian (NRI) | 33,063 | 103 | 33,166 | 0.30 | 28,420 | 105 | 28,525 | 0.26 | -0.04 |
| (v) HUF | 50,083 | 0 | 50,083 | 0.46 | 47,944 | 0 | 47,944 | 0.44 | -0.02 |
| (vi) Clearing Members | 66,273 | 0 | 66,273 | 0.61 | 137,056 | 0 | 137,056 | 1.26 | 0.65 |
| (vii) LLP | 5,118 | 0 | 5,118 | 0.05 | 5,465 | 0 | 5,465 | 0.05 | 0.00 |
| (viii) BC- NBFC | 2,907 | 0 | 2,907 | 0.03 | 2,884 | 0 | 2,884 | 0.03 | 0.00 |
| (ix) Other | 0 | 5 | 5 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL: (B)(2) | 2,277,982 | 94,604 | 2,372,586 | 21.76 | 2,398,538 | 90,748 | 2,489,286 | 22.83 | 1.07 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 2,738,218 | 96,850 | 2,835,068 | 26.01 | 2,670,927 | 92,988 | 2,763,915 | 25.35 | -0.65 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A)+(B)+(C) | 10,804,931 | 96,850 | 10,901,781 | 100.00 | 10,808,793 | 92,988 | 10,901,781 | 100.00 | 0.00 |

(ii) Share Holding of Promoters:

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year i.e. 01.04.2019 | | | Shareholding at the end of the year i.e. 31.03.2020 | | | % change in share holding during the year |
|---------|--|---|----------------------------------|---|---|----------------------------------|---|---|
| | | No. of Shares | % of total shares of the company | % of shares Pledged/ encumbered to total shares | No. of Shares | % of total shares of the company | % of shares Pledged/ encumbered to total shares | |
| 1 | ANANT VARDHAN GOENKA | 1,318 | 0.01 | 0.00 | 1,318 | 0.01 | 0.00 | 0.00 |
| 2 | HARSH VARDHAN GOENKA | 2153.00 | 0.02 | 0.00 | 1500.00 | 0.01 | 0.00 | -0.01 |
| 3 | HARSH VARDHAN GOENKA (Trustee, Monitor Portfolio Trust) | 16,157 | 0.15 | 0.00 | 16,157 | 0.15 | 0.00 | 0.00 |
| 4 | HARSH VARDHAN GOENKA (Trustee, Crystal India Tech Trust) | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 5 | HARSH VARDHAN GOENKA (Trustee, Nucleus Life Trust) | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 6 | HARSH VARDHAN GOENKA (Trustee, Stellar Energy Trust) | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 7 | HARSH VARDHAN GOENKA (Trustee, Secura India Trust) | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 8 | HARSH VARDHAN GOENKA (Trustee, Prism Estates Trust) | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 9 | ANANT VARDHAN GOENKA (Trustee, AVG Family Trust) | 0 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 10 | ANANT VARDHAN GOENKA (Trustee, RG Family Trust) | 0 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 11 | HARSH VARDHAN GOENKA (Trustee, Navya Goenka Trust) | 0 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 12 | HARSH VARDHAN GOENKA (Trustee, Ishaan Goenka Trust) | 0 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 13 | HARSHVARDHAN RAMPRASAD GOENKA (Karta of Harsh Anant Goenka HUF) | 0 | 0.00 | 0.00 | 653 | 0.01 | 0.00 | 0.01 |
| 14 | RAMA PRASAD GOENKA | 211 | 0.00 | 0.00 | 211 | 0.00 | 0.00 | 0.00 |
| 15 | STEL HOLDINGS LIMITED | 69,815 | 0.64 | 0.00 | 69,815 | 0.64 | 0.00 | 0.00 |
| 16 | JUBILEE INVESTMENTS AND INDUSTRIES LTD ** | 2,285 | 0.02 | 0.00 | 2,285 | 0.02 | 0.00 | 0.00 |
| 17 | SWALLOW ASSOCIATES LLP | 7,620,530 | 69.90 | 0.00 | 7,691,643 | 70.55 | 0.00 | 0.65 |
| 18 | CARNI WAL INVESTMENTS LTD | 354,159 | 3.25 | 0.00 | 354,159 | 3.25 | 0.00 | 0.00 |
| 19 | MALA GOENKA | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 20 | RADHA ANANT GOENKA | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 21 | ATLANTUS DWELLINGS AND INFRASTRUCTURE LLP | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 22 | CHATTARPATI APARTMENTS LLP | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 23 | EKTARA ENTERPRISES LLP | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 24 | MALABAR COASTAL HOLDINGS LLP | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 25 | SOFREAL MERCANTRADE PVT LTD | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 26 | VAYU UDAAN AIRCRAFT LLP | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| | Total | 8,066,713 | 73.99 | 0.00 | 8,137,866 | 74.65 | 0.00 | 0.65 |

** Jubilee Investments & Industries Limited merged with RPG Cellular Investments and Holdings Private Limited ('RCIHPL') pursuant to the Scheme of Amalgamation between RPG Communication & Holdings Private Limited, KTL Industrial Finance Company Limited, Kocilim Breweries Private Limited, Yield Investments Private Limited and Jubilee Investments & Industries Limited with RCIHPL duly sanctioned by the Honorable High Court of Calcutta on June 11, 2009. RCIHPL merged with Swallow Associates Limited ('SAL') pursuant to the Scheme of Amalgamation and Arrangement between SAL and Blue Niles Holdings Limited, South Asia Electricity Holdings Limited, Kestral Investments Limited, Petrochem International Limited and RCIHPL duly sanctioned by the Honorable High Court of Judicature at Bombay w.e.f. March 27, 2012. Further, SAL has been converted into a Limited Liability Partnership with effect from October 31, 2012 and now is known as Swallow Associates LLP ('Swallow').

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

| Sl. No. | | Share holding at the beginning of the year | | Date | Increase/ (Decrease) in Shareholding | Reason | Cumulative Share holding during the year | |
|---------|--|--|----------------------------------|------------|--------------------------------------|-------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | | | | No of shares | % of total shares of the company |
| | At the beginning of the Year | 8,066,713 | 73.99 | 01.04.2019 | - | - | 8,066,713 | 73.99 |
| | Date wise Increase/ Decrease | | | | | | | |
| 1 | AVG Family Trust | - | - | 20.06.2019 | 10 | Market Purchase | 8,066,723 | 73.99 |
| 2 | RG Family Trust | - | - | 20.11.2019 | 10 | Market Purchase | 8,066,733 | 73.99 |
| 3 | Navya Goenka Trust | - | - | 20.11.2019 | 10 | Market Purchase | 8,066,743 | 73.99 |
| 4 | Ishann Goenka Trust | - | - | 20.11.2019 | 10 | Market Purchase | 8,066,753 | 73.99 |
| 5 | Swallow Associates LLP | 7620530 | 69.90 | 29.11.2019 | 86 | Market Purchase | 8,066,839 | 74.00 |
| | | | | 02.12.2019 | 300 | Market Purchase | 8,067,139 | 74.00 |
| | | | | 03.12.2019 | 20,102 | Market Purchase | 8,087,241 | 74.18 |
| | | | | 04.12.2019 | 15 | Market Purchase | 8,087,256 | 74.18 |
| | | | | 10.12.2019 | 19,877 | Market Purchase | 8,107,133 | 74.37 |
| | | | | 11.12.2019 | 30,655 | Market Purchase | 8,137,788 | 74.65 |
| | | | | 12.12.2019 | 78 | Market Purchase | 8,137,866 | 74.65 |
| 6 | Harsh Vardhan Goenka | 2153 | 0.02 | 03.03.2020 | -653 | | | |
| 7 | Harshvardhan Ramprasad Goenka (Karta of Harsh Anant Goenka HUF) (Refer Note 1) | - | - | 03.03.2020 | 653 | Inter-DP Transfer | 8,137,866 | 74.65 |
| | At the end of the Year | 8,066,713 | 73.99 | | | | 8,137,866 | 74.65 |

Note:

- Off Market Inter DP transfer of 653 shares from demat account of Harsh Vardhan Goenka to Harsh Vardhan Goenka (Harsh Vardhan Ramaprasad Goenka, Karta of Harsh Anant Goenka HUF).

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) (Refer Note 1):

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Chinappa M B | 117,809 | 1.08 | 251,309 | 2.31 |
| 2. | Life Insurance Corporation of India | 297,152 | 2.73 | 234,330 | 2.15 |
| 3. | SMIFS Capital Markets Limited | 156,500 | 1.44 | 156,500 | 1.44 |
| 4. | VLS Finance Limited | 158,554 | 1.45 | 154,419 | 1.42 |
| 5. | Citibank N.A. | 145 | 0.00 | 105,000 | 0.96 |
| 6. | Kevin Dsilva | 101,061 | 0.93 | 101,061 | 0.93 |
| 7. | Societe Ceat D Investissementen Asie S A | 99,019 | 0.91 | 99,019 | 0.91 |
| 8. | Seetha Kumari | 91,500 | 0.84 | 91,500 | 0.84 |
| 9. | Harsha Venkatesh | 3 | 0.00 | 39,625 | 0.36 |
| 10. | The Oriental Insurance Company Limited | 35,770 | 0.33 | 35,770 | 0.33 |

Notes:

- The shares of the Company are traded on daily basis. Hence, the date wise increase/decrease in the shareholding of the above shareholders is not provided.
- The shareholdings of the above shareholders are consolidated based on the name of the first named holder of the shares, consolidated on basis of the PAN, irrespective of sub-accounts.

(v) Shareholding of Directors and Key Managerial Personnel (KMP):
Name: Mr. H. N. Singh Rajpoot

| Sr. No. | For Each of the Directors & KMP | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|---|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1. | At the beginning of the year i.e. April 1, 2019 | 1 | 0.00 | 1 | 0.00 |
| 2. | Date wise increase/decrease | 0 | 0.00 | 0 | 0.00 |
| 3. | At the end of the year i.e. March 31, 2020 | 1 | 0.00 | 1 | 0.00 |

Note: Apart from above no other Director or KMP held any shares in the Company at the beginning and at the end of the FY 2019-20.

V. INDEBTEDNESS:
Indebtedness of the Company including interest outstanding/accrued but not due for payment:
Amount in ₹

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | | None | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |
| Change in Indebtedness during the financial year | | | | |
| Additions | | None | | |
| Reduction | | | | |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | None | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole time Director and/or Manager:
Amount in ₹

| Sl. No. | Particulars of Remuneration | Mr. Rohin Bomanji (Manager) | Total Amount |
|---------|---|---|--------------|
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961 | 6,000 | 6,000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | 0 |
| 2. | Stock option | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 |
| 4. | Commission | 0 | 0 |
| | - as % of profit | 0 | 0 |
| | - others (specify) | 0 | 0 |
| 5. | Others, please specify | 0 | 0 |
| 6. | Total (A) | 6,000 | 6,000 |
| 7. | Ceiling as per the Act | As per Section 197 of Companies Act, 2013 | |

B. Remuneration to other Directors:

Amount in ₹

| Sl. No. | Particulars of Remuneration | Name of the Directors | | | | | Total Amount | |
|---------|--|--------------------------|-------------------------|------------------|--------------------|-------------------|--------------|--|
| 1. | Independent Directors | Mr. H. C. Dalal | Mr. Prem Kapil | Ms. Sneha Ranade | Mr. Abhay Nerurkar | Mr. R. D. Chandak | | |
| | (a) Fee for attending board and committee meetings | 38,000 | 23,000 | 36,000 | 37,000 | 20,000 | 154,000 | |
| | (b) Commission | Nil | Nil | Nil | Nil | Nil | Nil | |
| | (c) Others, please specify | Nil | Nil | Nil | Nil | Nil | Nil | |
| | Total (1) | 38,000 | 23,000 | 36,000 | 37,000 | 20,000 | 154,000 | |
| 2. | Other Non Executive Directors | Mr. A . N. Misra | Mr. H. N. Singh Rajpoot | | | | | |
| | (a) Fee for attending board and committee meetings | 17,000 | 42,000 | | | | 59,000 | |
| | (b) Commission | Nil | Nil | | | | Nil | |
| | (c) Others, please specify. | Nil | Nil | | | | Nil | |
| | Total (2) | 17,000 | 42,000 | | | | 59,000 | |
| | Total (B) = (1+2) | | | | | | 213,000 | |
| | Total Managerial Remuneration | | | | | | 213,000 | |
| | Overall Ceiling as per the Act | ₹ 1,00,000/- per meeting | | | | | | |

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

Amount in ₹

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|--|---------------------------------------|------------------------------|------------------|
| 1. | Gross Salary | Ms. Jiya Gangwani (Company Secretary) | Mr. Paras Mal Rakhecha (CFO) | Total Amount |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 2,616,302 | 5,031,764 | 7,648,066 |
| | b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | 0 | 0 | 0 |
| 2. | Stock options | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission | 0 | 0 | 0 |
| | - as % of Profit | 0 | 0 | 0 |
| | - others, specify | 0 | 0 | 0 |
| 5. | Others please specify | 0 | 0 | 0 |
| | Total | 2,616,302 | 5,031,764 | 7,648,066 |

VII PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/ Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty/ Punishment/ Compounding | | | None | | |
| B. DIRECTORS | | | | | |
| Penalty/ Punishment/ Compounding | | | None | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty/ Punishment/ Compounding | | | None | | |

On behalf of the Board of Directors

Place : Mumbai
Date : June 23, 2020Ramesh D. Chandak
Chairman
DIN: 00026581

Nomination and Remuneration policy

1 INTRODUCTION:

This policy has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the appointment and remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees and Board diversity.

2 OBJECTIVE:

This Policy sets out the guiding principles on:

- (i) appointment and remuneration of the Directors, KMP and SMP;
- (ii) qualifications, positive attributes and independence for appointment of a Director and assessment of independence of Independent Director;
- (iii) performance evaluation of all the directors;
- (iv) core skills/expertise/competencies required of the Board of Directors of the Company;
- (v) Board diversity.

3 DEFINITIONS:

- (i) **“Applicable Laws”** means the Companies Act, 2013 and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.
- (ii) **“Board”** means Board of Directors of the Company.
- (iii) **“Company”** means Summit Securities Limited.
- (iv) **“Directors”** means Directors of the Company.
- (v) **“Independent Director”** (ID) shall have the same meaning as defined under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (vi) **“Key Managerial Personnel”** (KMP) means:
 - a) the Chief Executive Officer (CEO) or the Managing Director (MD) or the Manager;
 - b) the Company Secretary (CS);
 - c) the Whole-time Director (WTD);
 - d) the Chief Financial Officer (CFO); and
 - e) Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board
- (vii) **“Non-Executive Directors”** (NED) means a member of a Company's Board of Directors who is not in whole time employment of the Company.
- (viii) **“Senior Management Personnel”** (SMP) means persons working one level below CEO/ MD/ WTD/ Manager and shall specifically include Company Secretary and Chief Financial Officer

or other persons as may be defined as SMP under the Applicable Laws from time to time.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Applicable Laws as may be amended from time to time, shall have the meaning respectively assigned to them therein.

4 DIVERSITY IN THE BOARD OF DIRECTORS

Diversity refers to the variety of attributes of diverse nature between people and encompasses acceptance, respect and an understanding that each individual is unique. These aspects can include age, gender, ethnicity, physical abilities, marital status, ideologies, background, knowledge and skills with a view to achieving a sustainable development, the Company shall aim to increase diversity at the Board level, as an essential element in terms of:

- Experience of diverse nature;
- Gender in having the right representation of female members to ensure compliance with applicable laws.
- Qualifications, Knowledge and core skills/expertise/competencies required of the Board of Directors in context of company's business/sector.

5 REQUIREMENTS RELATING TO DIRECTORS

A. Appointment of Directors:

The Company shall appoint those persons who possess requisite qualifications & experience and positive attributes within overall framework of diversity as described in this Policy.

B. Qualifications & Experience:

- (i) Any person to be appointed as a Director on the Board of Directors of the Company, including Independent Director shall, in addition to a formal professional qualification, possess appropriate skills, experience and knowledge in one or more fields viz. sciences, actuarial sciences, banking, finance, economics, law, management, sales, marketing, administration, research, corporate governance or technical operations.
- (ii) Any person to be appointed as a Director on the Board of the Company shall be such person who shall be able to provide policy directions to the Company, including directions on good corporate governance

C. Positive attributes:

The person to be appointed as a Director of the Company shall, in addition to the formal qualifications and relevant experience described in this Policy, shall also possess the attributes such as integrity, leadership, business orientation, commitment, proven track record and such other attributes, which in the opinion of the NRC, are in the interest of the Company.

D. Disqualification:

Any person to be appointed as Director shall not possess the disqualifications prescribed under the Applicable Laws.

E. Evaluation:

- (i) The NRC shall facilitate the Board to undertake evaluation of performance of all Directors on yearly basis including making recommendations to the Board on appropriate performance criteria for the Directors and formulating criteria and framework for evaluation of every Director's performance.
- (ii) The Board shall evaluate, every year, the performance of the individual directors including Chairman, IDs, independence of IDs, its own performance and of its Committees.

F. Familiarization Programme:

The Company shall familiarise the independent directors of the company with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company through various programmes.

6 REQUIREMENT RELATING TO SENIOR MANAGEMENT PERSONNEL INCLUDING KEY MANAGERIAL PERSONNEL

A. Appointment of KMP and SMP:

- (i) Based on the recommendation of NRC, the appointment of the MD, CEO, WTD, Manager, CFO and the CS shall be approved by the Board of Directors by means of a resolution.
- (ii) KMP shall not hold office in more than one company except in its subsidiary company at the same time.
- (iii) The appointments of SMP shall be approved by MD, if any or the Department Head on recommendation of the Human Resources Department (HRD). Remuneration payable to SMP shall be recommended by the NRC and approved by the Board.

B. Qualifications & experience:

- (i) Any person to be appointed as KMP or as SMP shall possess relevant educational or professional qualifications, experience and domain knowledge required for performing the job for which they are appointed.
- (ii) There shall be no discrimination on account of gender, race and religion in terms of appointment as KMP or SMP.

C. Positive Attributes:

- (i) KMP and the SMP shall also possess attributes like decision making skills, leadership skills, integrity and proven track record and shall demonstrate commitment to the organisation.
- (ii) KMP and SMP shall meet the expectations of operational transparency to stakeholders

while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.

D. Performance Evaluation:

- (i) Evaluation of all the SMPs and KMPs shall be carried out by the Departmental Head, excluding himself/herself and the MD/CEO/WTD, if any.
- (ii) The evaluation process adopted by the Company shall always consider the appropriate benchmarks set as per industry standards, performance of the Industry, the Company and of the individual KMP/SMP.
- (iii) Evaluation of performance shall be carried out at least once in a year, in accordance with the existing evaluation process of the Company.

7 REMUNERATION:

Guiding Principles:

- (i) The terms of employment and remuneration of MD, WTD, KMPs and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent
- (ii) This Policy shall ensure that:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/KMPs and SMPs of the quality required to run the Company successfully.
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (c) Remuneration to directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
 - (d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders
- (iii) While determining the remuneration and incentives for the MD/ WTD and KMP's, the following shall be considered:
 - (a) Pay and employment conditions with peers / elsewhere in the competitive market
 - (b) Benchmarking with the industry practices
 - (c) Performance of the individual
 - (d) Company Performance
- (iv) For the benchmarking with Industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
- (v) The pay structures shall be appropriately aligned across levels in the Company.

8 Remuneration Policy:**A. MD/WTD/CEO/Manager:**

- (i) The remuneration to the MD/CEO/Manager/ WTD at the time of his/her appointment shall be recommended by the NRC and subsequently approved by the Board of Directors. Such remuneration shall be subject to approval of the shareholders of the Company or the Central Government wherever required and shall not exceed the limits mentioned under applicable laws.
- (ii) Annual increment/ subsequent variation in remuneration to the MD/CEO/Manager/ WTD shall be approved by the NRC/ Board of Directors, within the overall limits approved by the shareholders of the Company or the Central Government, as the case may be.

B. NEDs:

- (i) NEDs shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and of the Committee thereof.
- (ii) NEDs shall also be entitled for payment of commission as recommended by NRC and approved by the Board of Directors and wherever required approval of the shareholders shall be obtained.
- (iii) IDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- (iv) The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

C. SMPs & KMPS (other than MD/WTD/ CEO / Manager):

- (i) Remuneration packages shall be designed in such manner that:
 - (a) Motivates delivery of key business strategies, creates a strong performance-orientated environment and rewards achievement of the Company's objectives & goals over the short and long-term.
 - (b) Attracts high-flier executives in a competitive global market and remunerate executives fairly and responsibly.
- (ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits as per the Policy of the Company, considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions.
- (iii) The remuneration to the KMPs and SMPs, at the time of his/her appointment, shall be recommended by the NRC and approved by the Board considering relevant qualification,

experience and performance of the individual as well as the prevailing market conditions. The remuneration may be a combination of fixed and variable pay;

- (iv) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and also of the Company. Industry practices/ trends shall also be given due consideration. Annual increment / subsequent variation in remuneration to the KMPs/SMPs shall be approved by the NRC/ Board of Directors.
- (v) Remuneration can be reset at any time considering the benchmark of international and domestic companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (vi) NRC may consider grant of Stock Options to KMPs & SMPs pursuant to any Stock Option Plan adopted by the Company, if any.

D. DIRECTOR AND OFFICERS LIABILITY INSURANCE:

- (i) The Company may provide an insurance cover to Directors, KMPs & SMPs for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust and the premium paid on the same shall not be treated as a part of remuneration paid to them.
- (ii) The premium paid by the Company for such insurance cover, called for Directors and Officers Liability Insurance Policy, taken for the above purpose shall be paid by the Company without any charge to the Directors, KMPs and SMPs.

9 AMENDMENTS TO THE POLICY:

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

10 EFFECTIVE DATE:

This revised policy will be deemed to be effective from February 6, 2019 and supersedes the original policy approved by the Board of Directors at its meeting held on August 13, 2014, and revised on February 02, 2015 and November 9, 2016 respectively.

Annexure C

Statement containing the Disclosures pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

No director has received remuneration from the Company apart from sitting fees for attending the meetings of the Board, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee held from time to time.

Based on the sitting fees for attending the meetings held during the F.Y. 2019-20 and meetings attended by each Director, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is as under:

| Sr. No. | Name of Director | Ratio |
|---------|-------------------------|-------|
| 1. | Mr. Ramesh D. Chandak | 0.04 |
| 2. | Mr. H. N. Singh Rajpoot | 0.08 |
| 3. | Mr. A. N. Misra | 0.03 |
| 4. | Mr. H. C. Dalal | 0.07 |
| 5. | Mr. Prem Kapil | 0.05 |
| 6. | Ms. Sneha Ranade | 0.07 |
| 7. | Mr. Abhay Nerurkar | 0.07 |

(ii) The percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary (CS) or Manager, if any, in the financial year:

As stated above, none of the Directors received remuneration apart sitting fees for attending the meetings of the Board, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, where they are members. There has been no increase in the amount of sitting fee paid per meeting for attending the meetings during the year under review as compared to the financial year 2018-19.

Further, there has been no increase in remuneration of Manager during the year under review.

The percentage increase in remuneration of CFO and CS during the year under review as compared to the previous year is 13.00% and 41.61% respectively.

(iii) The percentage increase in the median remuneration of the employees in the financial year: 8.41%

(iv) The number of permanent employees on the rolls of the Company:

As on March 31, 2020, the Company had 9 (Nine) employees on its rolls, including Key Managerial Personnel(s) of the Company.

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

Average percentage increase made in the salaries of employees other than the Manager during the previous FY 2019-20 was 9.25%

The increment given to each employee was based on criteria's such as performance of the company and of the individual employee during the financial year.

There was no increase made in the remuneration of Manager during the year under review.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company:

Remuneration paid during the year ended March 31, 2020 was as per Remuneration Policy of the Company.

On behalf of the Board of Directors

Ramesh D. Chandak
Chairman
DIN: 00026581

Place : Mumbai
Date : June 23, 2020

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2020**1. A brief outline of the Company's CSR Policy, including review of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

Summit Securities Limited ('the Company') has framed a Policy on Corporate Social Responsibility. The purpose is to support communities to lead purposeful, healthy & dignified lives, thereby driving "holistic empowerment" and overall well-being of the community. Our vision is to bring about a long-term sustainable change in the lives of less privileged through implementation of initiatives that have a clear societal impact.

The Company proposes to undertake CSR activities as envisaged in the CSR policy of the Company particularly relate to:-

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) Web-link: https://www.summitsecurities.net/files/corporate_governance/CSR_Policy.pdf

2. The Composition of CSR Committee:

- (i) Mr. H. C. Dalal, Chairman (Non-Executive, Independent Director)
- (ii) Mr. H. N. Singh Rajpoot, Member (Non-Executive Director)
- (iii) Mr. A. V. Nerurkar, Member (Non-Executive, Independent Director)

3. Average net profit of the Company for last three financial years (₹ in Lakhs): -127.68.**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not Applicable as the average net profit for the last three preceding years is negative.**5. Details of CSR spent during the financial year:**

- (i) Total amount to be spent for the financial year: Nil
- (ii) Amount unspent, if any: Nil
- (iii) Manner in which the amount spent during the financial year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|----------------|------------------------------------|--|---|---|---|---|--|
| S. No. | CSR Project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and District where projects or Programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent Direct or through Implementing Agency |
| Not Applicable | | | | | | | |

6. Reasons for not spending the prescribed amount: Not Applicable.**7. Responsibility statement of CSR Committee:**

We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

H. N. Singh Rajpoot
Director
DIN: 00080836

Place : Mumbai
Date : June 23, 2020

H. C. Dalal
Chairman, CSR Committee
DIN: 00206232

Annexure E

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED MARCH 31, 2020

Pursuant to Regulation 34 (2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 dated December 26, 2019, top 1000 listed entities based on market capitalization, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report. This Report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

The Company, being one of the top 1000 Companies based on market capitalisation as on March 31, 2020, presents its first BRR, as applicable and in accordance with SEBI requirement.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|-----|--|--|
| 1. | Corporate Identity Number (CIN) of the company | L65921MH1997PLC194571 |
| 2. | Name of the Company | Summit Securities Limited |
| 3. | Registered address | 213, Bezzola Complex, B Wing, 71, Sion-Trombay Road, Chembur, Mumbai – 400071. |
| 4. | Website | www.summitsecurities.net |
| 5. | E-mail ID | investors@summitsecurities.net |
| 6. | Financial Year reported | April 01, 2019 – March 31, 2020 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | Investment activity (NIC Code -64990) |
| 8. | List three key products/services that the Company manufactures/provides (as in Balance Sheet) | The Company is a Non-deposit taking Systemically Important Non-Banking Financial Company registered with Reserve Bank of India ("the RBI") and is mainly engaged in the business of making investments in shares and securities. |
| 9. | Total number of locations where business activity is undertaken by the Company. (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations | The Company is operating only through Registered Office located at: 213, Bezzola Complex, B Wing, 71, Sion-Trombay Road, Chembur, Mumbai – 400071. |
| 10. | Markets served by the Company - Local / State / National / International | National |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|----|---|--|
| 1. | Paid up capital (INR) | 10,90,17,810 |
| 2. | Total Turnover (INR) | ₹ 3,106.68 lakhs |
| 3. | Total profit after taxes (INR) | ₹ 2,546.74 lakhs |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%) | Nil as the Average Net Profit of the Company, as per Section 135 read with Section 198 of the Companies Act, 2013 for the three preceding financial year was negative. |
| 5. | List of activities in which expenditure in 4 above has been incurred | Not Applicable. |

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, The Company has one subsidiary viz. Instant Holdings Limited and one step down subsidiary viz. Sudarshan Electronics & TV Limited.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The subsidiary company/companies do not participate in our Business Responsibility initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]

No.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/ Directors responsible for BR

a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies

1. DIN Number: 00080836
2. Name: Mr. H. N. Singh Rajpoot
3. Designation: Non-Executive Director

b) Details of the BR Head

| No. | Particulars | Details |
|-----|----------------------------|--------------------------------|
| 1. | DIN Number (if applicable) | 00080836 |
| 2. | Name | Mr. H. N. Singh Rajpoot |
| 3. | Designation | Non-Executive Director |
| 4. | Telephone Number | 022-25292152 |
| 5. | E-mail ID | investors@summitsecurities.net |

2. Principle-wise (as per NVGs) BR Policy/ policies

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|--|----|----|----|----|----|----|----|----|
| 1 | Do you have policy/policies for these principles? | Y | N | Y | Y | Y | N | N | Y | N |
| 2 | Has the policy been formulated in consultation with relevant stakeholders? | Y | N | Y | Y | Y | N | N | Y | N |
| | | All the applicable policies are approved by the Board or under its authority as may be mandated under the applicable laws, or otherwise. | | | | | | | | |
| 3 | Does the policy conform to any national / international standards? If yes, specify. | Y | N | Y | Y | Y | N | N | Y | N |
| | | The applicable policies are framed as per the requirements of applicable laws in India and in line with global best practices. | | | | | | | | |
| 4 | Has the policy been approved by the Board? If yes, has it been signed by the MD /owner/CEO/ appropriate Board Director? | The Policies have been approved by the Board or under its authority as may be mandated under the applicable laws, or otherwise. | | | | | | | | |
| 5 | Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? | Yes | | | | | | | | |
| 6 | Indicate the link to view the policy online? | www.summitsecurities.net | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | | | | | | | | |
| 8 | Does the Company have in-house structure to implement its policy/policies? | Yes | | | | | | | | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy/policies? | The queries regarding to BR polices can be sent to investors@summitsecurities.net | | | | | | | | |
| 10 | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | This is the first year of applicability of Business Responsibility Report., i.e. from March 31, 2020. | | | | | | | | |

a) If answer to Sr. No. 2 against any principle, is 'No', please explain why:

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----------------|----|----|----|----|----|----|----|----|
| 1. | The company has not understood the Principles | Not Applicable | | | | | | | | |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | * | - | - | - | * | * | - | * |
| 3. | The company does not have financial or man-power resources available for the task | Not Applicable | | | | | | | | |
| 4. | It is planned to be done within next 6 months | | | | | | | | | |
| 5. | It is planned to be done within the next 1 year | | | | | | | | | |
| 6. | Any other reason (please specify) | | | | | | | | | |

* The Company is a Non-deposit taking Systemically Important Non-Banking Financial Company registered with RBI and is mainly engaged in the business of making investments in shares and securities. Accordingly, the Company is not engaged in manufacturing or service activity nor covering any area attracting the BRR impact as required under the said principles.

3. **Governance related to BR**

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Company is publishing its First BRR for the current reporting year. Going ahead, the reviews shall be held on a periodic basis.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company is publishing its First BRR for the current reporting year. The BRR forms part of the Annual Report and can be viewed on the website of the Company (www.summitsecurities.net).

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1 (P1):****Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:**

The Company adheres to all applicable guidelines and strives to adopt high standards of Corporate Governance and has put in place Code of Conduct for its Directors and Senior Management Personnel and a Code of Corporate Governance and Ethics for all its employees. The said codes are enforced by the Company.

The Company has also established a Whistle Blower Policy, which provides a mechanism for an individual to report violations without fear of victimization. The said policy is available on the Company's website.

No stakeholder complaints with respect to the Company's Code of Conduct and Whistle Blower

Policy were received during the reporting year.

Principle 2 (P2):**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

The Company is a Non-deposit taking Systemically Important Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("the RBI") being engaged in the main business of making investments in shares and securities, is not involved in any manufacturing activity of goods or provision of services.

Principle 3 (P3):**Businesses should promote the well-being of all employees.**

As on March 31, 2020, the Company had 9 (Nine) number of total employees. This also included 2 (two) number of women employees. The Company is committed to employee welfare and invests in the growth and development of all its employees through relevant trainings and engages with them on a regular basis.

Remuneration practices are based on merit without regard to the person's ethnic background or gender and adhere to the overall guidelines prescribed under the Nomination & Remuneration Policy framed by the Company. The Company has policies and procedures in place and ensures there is no discrimination of any type against socially disadvantaged sections in the workplace.

The Company had adopted a 'Policy on Prevention of Sexual Harassment at Workplace'. The Company did not receive any complaint relating to child labour, forced labour, involuntary labour, sexual harassment or discriminatory employment during the year 2019-20 nor are there any complaints as at March 31, 2020.

Principle 4 (P4):

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Company has different types of stakeholders covering, Government and regulatory authorities, Investors and Shareholders, Employees, Consultants, Bankers, Statutory Auditors, Internal Auditors, etc.

There are various policies for the internal as well external stakeholders of the Company such as Corporate Social Responsibility (CSR) Policy, Policy on Code of Conduct for Board Members and Senior Management, Whistle Blower Policy for External Stakeholders etc. through which the stakeholder's engagement with the Company is encouraged.

The Company constantly endeavours to provide the best of services to its shareholders and investors and to maintain a high level of corporate governance. The Annual General Meeting is also a forum where the shareholders of the Company engage directly with the Board of Directors and get answers to their queries on Company's business.

Principle 5 (P5):

Businesses should respect and promote human rights.

All aspects on human rights, are covered in the manner in which the company conducts its business as well as in its human resources practices. All rules and regulations related to human rights, as applicable are abided by. The Company did not receive any complaint relating to violation of human rights during the year 2019-20.

Principle 6 (P6):

Business should respect protect and make efforts to restore the environment.

Given the fact that the Company's business is related to making investments, the Company does not have any significant environmental impact. Nonetheless, the Company evaluates and follows practices that are environment friendly.

Principle 7 (P7):

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Not applicable as the Company is not engaged in influencing public and regulatory policy.

Principle 8 (P8):

Businesses should support inclusive growth and equitable development

The Company's Corporate Social Responsibility (CSR) philosophy aims at supporting communities to lead purposeful, healthy & dignified lives, thereby driving "holistic empowerment" and overall well-being of the community.

Under various initiatives and programmes under its CSR activities, the Company has contributed to economic and social development through RPG Foundation, the Implementing Agency. RPG Foundation is set up as a public charitable trust to undertake activities in the field of social welfare and reform.

Principle 9 (P9):

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The Company being an investment company does not have any direct customers.

FORM No. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Summit Securities Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Summit Securities Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and

Takeovers) Regulations, 2011;

- (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, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:-
 - (a) The Reserve Bank of India Act, 1934
 - (b) Directions issued under the Reserve Bank of India Act, 1954
 - (c) Non-Banking Financial Company-Systematically important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of 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 was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Parikh Parekh & Associates
Company Secretaries

Place: Mumbai
Date : June 23, 2020

Signature: **Shalini Bhat**
Partner
FCS No:6484
CP No: 6994
UDIN : F006484B000368989

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

'Annexure A'

To,
The Members
Summit Securities Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Company Secretaries

Place: Mumbai
Date : June 23, 2020

Signature: **Shalini Bhat**
Partner
FCS No:6484
CP No: 6994
UDIN : F006484B000368989

CORPORATE GOVERNANCE REPORT

I. COMPANY PHILOSOPHY:

Corporate Governance is the set of systems, principles and processes by which a Company is governed. It is an ethically driven business process that is committed to values and conduct of the organization in order to attain the objects of the Company. Our philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the Government and the society in general. As a result, our philosophy extends beyond what is stated under this Report and it has been the Company's constant endeavor to attain the highest levels of Corporate Governance.

This Report is in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and forms part of the Boards' Report to the Members of the Company.

II. BOARD OF DIRECTORS:

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information including information mentioned in Regulation 17 read with Schedule II of the Listing Regulations are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company with due compliance of applicable laws and as trustees of stakeholders.

1. Composition:

As on March 31, 2020, the Board of Directors comprised of Seven (7) members, all of whom are Non-Executive Directors including the Chairman.

The Directors are eminent professionals with experience in industry/business/finance/law and

bring with them the reputation of independent judgment and experience, which they exercise.

All the Independent Directors of the Company have confirmed that they meet with the criteria of independence laid down under the Companies Act, 2013 ('the Act') and the Listing Regulations. All such declarations are placed before the Board. Further, pursuant to Section 164(2) of the Act, all the Directors have also provided annual declarations that he/she has not been disqualified to act as a Director.

None of the Directors on the Board is a member of more than Ten (10) committees or Chairman of more than Five (5) committees across all listed entities in which he/she is a Director as stipulated in Regulation 26(1) of the Listing Regulations. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven (7) listed companies and none of the Directors on the Board is a Director in more than seven (7) listed companies. The necessary declarations regarding Committee positions have been made by all the Directors.

None of the Directors is related to any other Director on the Board in terms of definition of 'relative' given under the Act.

2. Board Meetings held during the year and attendance thereat:

During the year under review, Four (4) meetings of the Board were held on May 15, 2019, August 2, 2019 adjourned and continued on August 12, 2019, November 11, 2019 and February 13, 2020. Details of Directors and their attendance at the said Board Meetings and also at the Twenty Second Annual General Meeting is as given below:

| Name | Director Identification Number | Category of Directorship | No. of Board Meetings attended during the year | Attendance at Twenty Second AGM held on September 25, 2019 | No. of Directorships in other Public Limited Companies (as on March 31, 2020) | No. of Committee positions held in other Public Limited Companies* (as on March 31, 2020) | | List of directorships of other listed entities and the category of such directorship |
|-------------------------|--------------------------------|---------------------------------------|--|--|---|---|----------|--|
| | | | | | | Chairman | Member** | |
| Mr. Ramesh D. Chandak | 00026581 | Non- Executive, Independent, Chairman | 4 | Yes | 5 | 4 | 7 | <ul style="list-style-type: none"> • Parag Milk Foods Limited, Independent Director • KEC International Limited, Independent Director*** • Ram Ratna Wires Limited, Independent Director • Prince Pipes and Fittings Limited, Independent Director |
| Mr. A. N. Misra | 00350790 | Non- Executive | 4 | No | 2 | 0 | 1 | Not Applicable |
| Mr. H. N. Singh Rajpoot | 00080836 | Non- Executive | 4 | No | 5 | 3 | 5 | <ul style="list-style-type: none"> • FGP Limited, Non-Executive Director |

| Name | Director Identification Number | Category of Directorship | No. of Board Meetings attended during the year | Attendance at Twenty Second AGM held on September 25, 2019 | No. of Directorships in other Public Limited Companies (as on March 31, 2020) | No. of Committee positions held in other Public Limited Companies* (as on March 31, 2020) | | List of directorships of other listed entities and the category of such directorship |
|--------------------|--------------------------------|-----------------------------|--|--|---|---|----------|--|
| | | | | | | Chairman | Member** | |
| Mr. H. C. Dalal | 00206232 | Non- Executive, Independent | 4 | Yes | 2 | 1 | 4 | <ul style="list-style-type: none"> • FGP Limited, Independent Director • STEL Holdings Limited, Independent Director |
| Mr. Prem Kapil | 06921601 | Non-Executive, Independent | 4 | Yes | 2 | 0 | 2 | <ul style="list-style-type: none"> • FGP Limited, Independent Director • STEL Holdings Limited, Independent Director |
| Ms. Sneha Ranade | 06878346 | Non-Executive, | 4 | Yes | 1 | 0 | 3 | Not Applicable |
| Mr. Abhay Nerurkar | 00045309 | Non-Executive, Independent | 4 | Yes | 1 | 1 | 1 | Not Applicable |

Note:

* Committee positions pertain to position held in Audit Committee and Stakeholders Relationship Committee in public limited companies including the Company.

** Membership in a Committee is inclusive of Chairmanship held, if any, by the Director.

*** Appointed as an Independent Director w.e.f. May 8, 2019.

Details of skills/expertise/competence of the Board of Directors:

The Directors on the Board are eminent industrialists/professionals and have expertise in their respective functional areas, which bring with them the reputation of independent judgement and experience which adds value to the Company's business. Directors are inducted on the Board basis the possession of the skills identified by the Board as below and their special skills with regards to the industries/fields they come from.









The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board.
































Global Business – Understanding of global business dynamics across various geographies, industry verticals and regulatory jurisdictions.

Strategy and Planning - Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

Governance - Experience in developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.

The skills/expertise/ competencies have been further elaborated as under:

| Name of Director | Skills / Expertise / Competence | | | |
|--|---|---|---|---|
| Mr. Ramesh Chandak Chairman – Non-Executive Independent Director |  General Management and Business Operations |  Business Development |  Strategy / M&A / Restructuring |  Accounting / Finance / Legal |
| |  CEO/Senior Management Experience |  Risk Management |  Corporate Governance | |
| Mr. H. C. Dalal Non-Executive Independent Director |  General Management and Business Operations |  Accounting / Finance / Legal |  Corporate Governance | |
| | | | | |

| Name of Director | Skills / Expertise / Competence | | | |
|--|--|--|---|---|
| Mr. Prem Kapil Non-Executive Independent Director |  General Management and Business Operations |  Business Development |  Public Policy |  Human Resources Management |
| Mr. Abhay Nerurkar Non-Executive Independent Director |  General Management and Business Operations |  Accounting / Finance / Legal |  Corporate Governance |  Public Policy |
| Ms. Sneha Ranade Non-Executive Independent Director |  General Management and Business Operations |  Strategy / M&A / Restructuring |  Accounting / Finance / Legal |  CEO / Senior Management Experience |
| |  Risk Management |  Public Policy |  Corporate Governance | |
| Mr. A. N. Misra Non-Executive Director |  General Management and Business Operations |  Business Development |  Strategy / M&A / Restructuring |  Accounting / Finance / Legal |
| |  CEO / Senior Management Experience |  Risk Management |  Public Policy |  Human Resources Management |
| |  Corporate Governance | | | |
| Mr. H. N. Singh Rajpoot Non-Executive Director |  General Management and Business Operations |  Strategy / M&A / Restructuring |  Accounting / Finance / Legal |  CEO / Senior Management Experience |
| |  Risk Management |  Human Resources Management |  Corporate Governance | |

III. COMMITTEES OF THE BOARD:

(i) Audit Committee:

a. Composition and Attendance:

The Company has complied with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act in respect of the composition of the Audit Committee.

At present, the Audit Committee of Board of Directors of the Company consists of 4 members, Mr. H. N. Singh Rajpoot, Mr. H. C. Dalal, Ms. Sneha Ranade and Mr. Abhay Nerurkar. Mr. Abhay Nerurkar is the Chairman of the Audit Committee. All the members

of the Audit Committee are Non-Executive Directors and have sound knowledge of finance, accounts, company law and general management.

During the year under review, Four (4) meetings of the Audit Committee were held on May 15, 2019, August 02, 2019 adjourned and continued on August 12, 2019, November 11, 2019 and February 13, 2020. These meetings were attended by all the members of the Audit Committee.

The Company Secretary functions as the Secretary to the Audit Committee.

The Audit Committee Meetings are also generally attended by the representatives of Statutory Auditors,

Internal Auditors, the Chief Financial Officer and the Manager of the Company.

In accordance with Regulation 18(1)(d) of the listing regulations, the Chairman of the Audit Committee had attended the Twenty Second Annual General Meeting of the Company held on September 25, 2019.

b. Terms of reference:

The role, powers, functions and the terms of reference of the Audit Committee specified by the Board are in conformity with the requirements of the Listing Regulations and Section 177 of the Act.

The terms of reference include the matters specified under Regulation 18 of the Listing Regulations read with Part C of Schedule II thereof, as well as Section 177 of the Act which inter-alia include the following matters:

- i. To recommend the appointment/re-appointment/replacement, remuneration and terms of appointment of the Statutory Auditors and the Internal Auditors of the Company.
- ii. To review and monitor independence and performance of the Statutory and Internal auditors and reviewing, with the management adequacy of the internal control systems;
- iii. To approve or ratify transactions of the Company with Related Parties, including any subsequent modifications.
- iv. To examine Financial Statements and Auditor's report thereon and for this purpose, to call, if necessary, the comments of the Auditors about the following:
 - (i) Internal Control systems
 - (ii) Scope of audit, including observations of Auditors
- v. To scrutinize inter-corporate loans and investments made by the Company.
- vi. To carry out valuation of undertakings and the assets of the Company as and when necessary.
- vii. To evaluate the internal financial control systems.
- viii. To evaluate the Risk Management Systems.
- ix. To monitor, end use of funds raised through public offers (including public issue, rights issue, preferential issue, qualified institutional placement etc.) and related matters.
- x. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- xi. To review effectiveness of the audit process and adequacy of the internal audit function including structure/staffing and reporting process and frequency of the internal audit.
- xii. To recommend the Financial Statement to the Board for its approval, after carrying out the procedure mentioned at iv. above.
- xiii. To give personal hearing to the Auditors and key managerial personnel when, if necessary, while reviewing the Auditor's Report.
- xiv. To oversee the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and creditable.
- xv. To review the Annual Financial Statements and auditor's report with the Management before submitting the same to the Board particularly the following:
 - a) Matters required to be included in the Director, Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications/ modified opinions in draft Audit Report.
- xvi. To review with the Management the quarterly financial statements before submitting the same to the Board.
- xvii. To discuss with the Internal Auditors any significant findings and follow-up thereof.
- xviii. To review findings of the internal investigation, including the matters of suspected frauds or irregularities or failure of internal control systems of material nature and reporting the matter to the Board.
- xix. To discuss with the Statutory Auditors the nature and scope of audit before commencement of the audit and also after completion of audit, to ascertain any internal area of concern.
- xx. To look into the reasons for substantial defaults for payment to the deposit holders, debenture holders and creditors.
- xxi. Review the functioning of the Vigil Mechanism/Whistle Blower Mechanism for the Directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimization.
- xxii. Approval for appointment of CFO (i.e. the whole-time Finance Director or any other persons heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- xxiii. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- xxiv. Reviewing the of the utilization of loans and /or advances existing loans and/ or advances from/ investment made by the Company in its subsidiary exceeding ₹ 100 crore or 10% of the total gross assets of the subsidiary, whichever is lower including existing loans/ advances /investment or such other limit as may be prescribed from time to time.
- xxv. Review compliance with the provisions of SEBI

- (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- xxvi. To carry out any other function, as may be assigned to Audit Committee pursuant to any amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI guidelines and the applicable provisions of the Companies Act, 2013 as amended or re-enacted from time to time.
- xxvii. To review the following information/document:
- (i) Management discussion and analysis of financial condition and results of operation;
 - (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (iii) Management letter of internal control weakness issued by the statutory auditors;
 - (iv) Internal audit reports relating to internal control weakness; and
 - (v) The appointment, removal and terms of remuneration of the Internal Auditor.
 - (vi) Statement of deviations:
 - (a) Review the quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Review the annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).
- xxviii. To investigate into any matter specified under serial nos. i. to xxvii. above and for this purpose to obtain advise of external professionals, if necessary, and accord them full access to the information contained in the records of the Company.
- (ii) Nomination and Remuneration Committee:**
- a. Composition and attendance:
The Company has complied with the requirements of Regulation 19 of the Listing Regulations and Section 178 of the Act in respect of the composition of the Nomination and Remuneration Committee ('NRC').
At present, the NRC consists of Four (4) members, Mr. H. N. Singh Rajpoot, Mr. H. C. Dalal, Mr. Prem Kapil and Mr. Abhay Nerurkar. All the members of the NRC are Non-Executive Directors. Mr. Prem Kapil is the Chairman of NRC.
The Company Secretary functions as the Secretary to the NRC.
During the year under review, Two (2) meetings of NRC were held on May 15, 2019 and August 2, 2019. These meetings were attended by all the members of the NRC.
- b. Terms of reference:
The terms of reference of Nomination and Remuneration Committee include the matters specified under Regulation 19 of the Listing Regulations read with Part D of Schedule II thereof, as well as Section 178 of the Act which inter-alia include the following matters:
- (i) To ensure that the general character of the management or the proposed management of the Company shall not be prejudicial to the interest of its present and/or future depositors, if any.
 - (ii) To ensure fit and proper criteria status of existing/proposed directors.
 - (iii) To lay down criteria such as qualification, positive attributes and independence for appointment persons as directors or in the senior management.
 - (iv) To identify persons who are qualified to become directors and who may be appointed in senior management positions, as per the criteria laid down, and recommend to the Board of Directors their appointment and removal.
 - (v) To recommend to the Board the appointment and removal of the Directors, including Independent Directors;
 - (vi) To formulate the criteria for effective evaluation of performance of Board of Directors, its Committees, Chairperson and individual Directors to be carried out either by the Board or by NRC or through an independent external agency and review its implementation and compliance;
 - (vii) To recommend to the Board a policy relating to the remuneration for directors, including Managing Director(s) and Whole-time Director(s), Senior Management Personnel (SMP), Key Managerial Personnel (KMP) and other employees. While formulating the policy, the NRC shall ensure that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
 - (viii) To recommend to the Board, remuneration payable to Directors, KMPs and SMPs in accordance with the Nomination and Remuneration Policy;
 - a. To devise and recommend to the Board for approval a policy on diversity of board of directors;
 - b. To opine as per Section 197(4)(b) whether the Director possess the requisite qualification.
 - c. Recommending to the Board, appointment and removal of KMPs and SMPs in accordance with the criteria laid down.
 - d. To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 - e. To carry out any other function, as may be assigned or delegated to Nomination and Remuneration Committee by (i) the Board of Directors (ii) the virtue of the applicable provisions of the Companies Act, 2013 (iii) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (iv) RBI guidelines and any

other applicable provisions of Laws, as amended or re-enacted from time to time.

c. Performance evaluation criteria for independent directors:

As required pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees, Chairperson and individual directors.

For this purpose, an Evaluation Questionnaire was prepared considering the criteria for evaluation in accordance with the Company's "Nomination and Remuneration Policy", approved by the Board on recommendation of the Nomination and Remuneration Committee, taking into account the applicable provisions under the Act and the rules made thereunder, the Listing Regulations read with the circulars issued by SEBI in this regard, which inter-alia covered various aspects such as participation in meetings, contribution to strategic decision making etc. The aforesaid Evaluation Questionnaire was circulated to all Directors and their responses were received in sealed envelopes addressed to the Chairman of the Board and results thereof were discussed at the next meeting of the Board of Directors.

Directors Remuneration:

➤ **Payments to Non-Executive Directors and details of remuneration paid to all the Directors:**

The Non-executive Directors do not receive any commission on profits. They are entitled to sitting fees for attending every Board meeting. Further, members of the Board who are members on the Audit Committee and/or Stakeholders Relationship Committee and/or Nomination and Remuneration Committee and/or Corporate Social Responsibility Committee, receive sitting fees for attending the meetings of the same. The sitting fees paid to the directors are within the limits prescribed under the Companies Act, 2013 and Rules made thereunder.

During the year under review, no remuneration except sitting fees was paid to the Directors of the Company. The details pertaining to the sitting fees for meetings attended by the Directors during F.Y. 2019-20 are enumerated below:

| Name of Director | Sitting Fees for 2019-20 (All figures in ₹) |
|--------------------------|--|
| Mr. Ramesh D. Chandak | 20,000 |
| Mr. H. N. Singh Rajpoot* | 42,000 |
| Mr. A. N. Misra* | 17,000 |
| Mr. H. C. Dalal * | 38,000 |
| Mr. Prem Kapil* | 23,000 |
| Ms. Sneha Ranade* | 36,000 |
| Mr. Abhay Nerurkar* | 37,000 |

*Includes sitting fees for attending meetings of Audit Committee and/or Stakeholders Relationship Committee and/or Nomination and Remuneration Committee and/or Corporate Social Responsibility Committee.

➤ **Shareholding of Directors:**

As on March 31, 2020, following shares of the Company were held by the Directors of the Company:

| Name of Director | No of shares held |
|-------------------------|--------------------------|
| Mr. H. N. Singh Rajpoot | 1 |

Independent Directors Meeting:

As per sub-regulation (3) and (4) of Regulation 25 of the Listing Regulations as well as pursuant to Section 149(8) of the Act read with Schedule IV and in accordance with the Nomination and Remuneration Policy, the Independent Directors have at their meeting held on February 14, 2020:

- (a) Reviewed the performance of Non-Independent Directors, the Chairman of the Company, Committees and the Board as a whole;
- (b) Assessed the quality, quantity and timeliness of the flow of information between the company management and the Board.

All Independent Directors were present at the said meeting.

Familiarization Programme for Independent Directors:

Details of familiarization programme imparted to independent directors is disclosed in the website of the Company at the link https://www.summitsecurities.net/files/Note_on_Familiarisation_Prog_for_Ind.pdf

(iii) Stakeholders Relationship Committee:

a. **Composition and attendance:**

The Company has complied with the requirements of Regulation 20 of the Listing Regulations and Section 178 of the Act in respect of the composition of the Stakeholders Relationship Committee ('SRC').

At present, the SRC of the Board of Directors of the Company consists of Three (3) members all being Non-Executive Directors, Mr. A. N. Misra, Mr. H. N. Singh Rajpoot and Ms. Sneha Ranade. Mr. H. N. Singh Rajpoot, Non-Executive Director is the Chairman of the SRC.

The Company Secretary functions as the Secretary to the SRC.

During the year under review, Four (4) meetings of the SRC were held on May 15, 2019, August 2, 2019, November 11, 2019 and February 13, 2020.

Attendance at the SRC Meetings held during the year ended March 31, 2020:

| Name of members | No. of meetings attended |
|-------------------------|---------------------------------|
| Mr. H. N. Singh Rajpoot | 4 |
| Mr. A. N. Misra | 3 |
| Ms. Sneha Ranade | 4 |

b. Change Reference:

The functions and powers of the SRC inter-alia include reviewing and addressing the complaints, queries of all investors and to ensure that the same are expeditiously responded to and redressed accordingly. Further, the SRC also reviews and deals with responses to the letters received by it from the Statutory Authorities such as the Stock Exchanges, Securities and Exchange Board of India and the Ministry of Corporate Affairs pertaining to shareholder grievances. The Committee also reviews the measures taken for effective exercise of voting rights by shareholders, adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

c. The status of the Complaints received from investors is as follows:

Shareholders/ Investors Complaints:

| Particulars of the Complaints | Number of Complaints |
|--|----------------------|
| Pending as on April 1, 2019 | Nil |
| Received during the year | 6 |
| Resolved to the satisfaction of shareholders during the year | 5 |
| Remained unresolved as on March 31, 2020* | 1 |

* 1 complaint directly received by TSR Darashaw Consultants Private Limited, Registrar and Transfer Agents, pending as on March 31, 2020, has been resolved by SEBI on April 15, 2020.

(iv) Corporate Social Responsibility Committee:

a. Composition and attendance:

The Company has complied with the requirements of Section 135 of the Act and the rules made thereunder in respect of the constitution and composition of the Corporate Social Responsibility Committee ('CSR Committee').

At present, the CSR Committee of the Board of Directors of the Company consists of Three (3) members all being Non-Executive Directors, Mr. H. N. Singh Rajpoot, Mr. H. C. Dalal and Mr. Abhay Nerurkar. Mr. H. C. Dalal is the Chairman of the CSR Committee.

During the year under review, Two (2) meetings of the CSR Committee were held on May 15, 2019 and August 2, 2019. These meetings were attended by all members of the CSR Committee.

b. Terms of reference of CSR Committee:

i. To formulate and recommend to the Board the Corporate Social Responsibility Policy (CSR Policy) as specified in

Schedule VII of the Act read with Companies (Corporate Social Responsibility) Rules, 2014.

- ii. To recommend to the Board the amount of expenditure to be incurred on the activities undertaken by the Company as per the CSR Policy within the overall limit specified in Section 135 (5) of the Act, as amended from time to time, but not less than 2% of the average net profits of the Company during the (3) three immediately preceding financial years, (calculated pursuant to Section 198 of the Act) or any other sum, as may be prescribed under Section 135 of the Act from time to time.
- iii. To monitor the CSR Policy of the Company from time to time.
- iv. To carry out any other function, as may be assigned to the CSR Committee pursuant to any amendments to the provisions of the Companies Act, 2013 and the rules made thereunder.

(v) Risk Management Committee:

Constitution of Risk Management Committee ('RMC') is a non-mandatory requirement considering the provisions of the Listing Regulations. RMC was constituted in terms of the guidelines of corporate governance issued by the Reserve Bank of India ('RBI') in the year 2010. Presently, the terms of reference of RMC are in accordance with Regulation 21 of the Listing Regulations read with applicable provisions of the Act and Rules made thereunder.

a. Composition and attendance:

At present, the RMC of the Board of Directors of the Company consists of Four (4) members all being Non-Executive Directors, Mr. H. N. Singh Rajpoot, Mr. Prem Kapil, Mr. Abhay Nerurkar and Mr. A. N. Misra. Mr. H. N. Singh Rajpoot was appointed as Chairman of the RMC w.e.f. February 13, 2020.

The Company Secretary functions as the Secretary to the RMC.

During the year under review, Two (2) meetings of the RMC were held on August 2, 2019 and February 13, 2020.

Attendance at the RMC Meetings held during the year ended March 31, 2020:

| Name(s) of members | No. of meetings attended |
|------------------------------|--------------------------|
| Mr. H. N. Singh Rajpoot | 2 |
| Mr. A. N. Misra | 1 |
| Mr. H. C. Dalal [#] | 2 |
| Mr. Abhay Nerurkar | 2 |
| Mr. Prem Kapil [*] | -- |

[#] Ceased to be Chairman and member of RMC w.e.f. February 13, 2020.

^{*} Appointed as a member of RMC w.e.f. February 13, 2020.

b. The terms of reference of RMC:

The scope and duties of the RMC inter-alia include:

- (i) Identifying, evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks.
- (ii) Framing, implementing, monitoring and reviewing the risk management and mitigation plan, Risk Management Policy, systems and framework of the Company.
- (iii) Overall managing the integrated risk in accordance with the provisions of the notifications issued by the RBI.
- (iv) Laying down the procedure to inform the Board about the risk management and minimization procedure.
- (v) Carrying out any other function, as may be assigned to the RMC pursuant to any amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and notifications issued by the RBI from time to time.

(vi) Asset Liability Management Committee:

The Board of Directors had constituted the Asset Liability Management Committee ('ALMC') in terms of the guidelines of corporate governance issued by the RBI in the year 2010.

a. Composition and attendance:

At present, ALMC consists of Three (3) members all being Non-Executive Directors, Mr. H. N. Singh Rajpoot, Mr. H. C. Dalal and Mr. Abhay Nerurkar. Mr. H. N. Singh Rajpoot is the Chairman of the ALMC.

The Company Secretary functions as the Secretary to the ALMC.

During the year Two (2) meetings of the ALMC were held on May 15, 2019 and November 11, 2019. These meetings were attended by all the members of the ALMC.

b. Terms of reference:

The terms of reference of the ALMC inter-alia include to monitor the asset liability gap and strategize action to mitigate the risk associated and other matters as may be provided in accordance with the RBI Notifications/Circulars issued from time to time as applicable to the Company.

(vii) IT Strategy Committee:

The Board of Directors had constituted the IT Strategy Committee ('ITSC') of the Company at their meeting held on August 7, 2017 in terms of the Information Technology Framework for the NBFC sector issued by the RBI on June 8, 2017, as applicable to the Company

a. Composition and attendance:

At present, ITSC consists of Four (4) members, Mr. H. N. Singh Rajpoot, Ms. Sneha Ranade, Mr. Abhay Nerurkar and Mr. Pragnesh Mistry. Ms. Sneha Ranade is the Chairperson of the ITSC.

The Company Secretary functions as the Secretary to the ITSC.

During the year under review, Three (3) meetings of the ITSC were held on May 15, 2019, November 11, 2019 and February 13, 2020. These meetings were attended by all the members of the ITSC.

b. Terms of reference:

- (a) To formulate IT strategy and policy documents, placing the same with its recommendations for the approval of the Board of Directors;
- (b) To formulate Information Security (IS) Policy, Cyber Security Policy, Cyber Crisis Management Plan and placing the same for the approval of the Board of Directors for approval;
- (c) To ensure and monitor to ensure that the management has:
 - (i) effective strategic planning process in place;
 - (ii) implemented processes and practices to ensure that the IT delivers value to the business;
 - (iii) Ensured that IT investments represent a balance of risks and benefits and that the budgets are acceptable;
 - (iv) Used a method to determine the IT resources required to achieve the strategic goals and provide high-level direction for sourcing and use of IT resources and monitoring its methodology;
 - (v) Ensured a proper balance of IT investments for sustaining the Company's growth and manage exposure towards IT risks and controls.
- (d) To formulate IS Audit framework and place the same for the approval of the Board and carry out or engage competent auditor for the IS Audit;
- (e) To formulate a Business Continuity Planning (BCP) Policy and place its recommendations along with the policy for approval of the Board;
- (f) To periodically review the effectiveness of all policies and procedures and as and when required to suggest amendment to IT strategies in line with the corporate strategies, including cyber security arrangements and matters related to IT Governance to the Board of Directors.
- (g) To suggest methods and monitor an appropriate governance mechanism for outsourced processes, comprising of risk-based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
- (h) To recommend to the approval authorities, the outsourcing depending on nature of risks and materiality of outsourcing including development of sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements, whenever applicable;
- (i) To undertake a periodic review of outsourcing strategies and all existing material outsourcing arrangements;

- (j) To evaluate the risks and materiality of all prospective outsourcing based on the framework developed by the Board of Directors and communicating significant risks in outsourcing and place the same before the Board of Directors on a periodic basis for review, whenever applicable;
- (k) To ensure an independent review and audit, either by an inhouse team or by an outside expert if necessary, in accordance with approved policies and procedures and that the contingency plans have been developed and tested adequately;
- (l) To carry out any other function, as may be assigned to IT Strategy Committee by the Board of Directors in accordance with the Directions issued by the Reserve Bank of India and any applicable statute pertaining to Information Technology Law and Governance.

IV. DETAILS OF GENERAL BODY MEETINGS:

The details of the last Three (3) General Meetings are as below:

| Meeting | Day, Date | Time | Venue |
|------------------------|-------------------------------|------------|---|
| Annual General Meeting | Wednesday, September 25, 2019 | 11:00 a.m. | The Auditorium, Textile Committee, next to Trade Plaza, (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400 025. |
| Annual General Meeting | Thursday, September 27, 2018 | 3.30 p.m. | The Auditorium, Textile Committee, next to Trade Plaza, (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400 025. |
| Annual General Meeting | Monday, September 18, 2017 | 2:30 p.m. | K Bhagat Tarachand Banquet, Plot No. 44 A, Off Hemu Kalani Marg, Near Chagan Mitha Petrol Pump, Chembur (East), Mumbai 400 071. |

Special Resolutions passed at the last three Annual General Meetings:

| Date of the Annual General Meeting | Particulars of the Special Resolution passed at the Annual General Meeting |
|------------------------------------|---|
| Wednesday, September 25, 2019 | <ol style="list-style-type: none"> 1. Re-appointment of Mr. H. C. Dalal as an Independent Director for the second consecutive term of five years w.e.f. September 27, 2019; 2. Re-appointment of Mr. Prem Kapil as an Independent Director for the second consecutive term of five years w.e.f. September 27, 2019; 3. Re-appointment of Ms. Sneha Ranade as an Independent Director for the second consecutive term of five years w.e.f. September 27, 2019; 4. Appointment of Mr. Ramesh Chandak as an Independent Director for a term of five years w.e.f. September 27, 2019. |
| Thursday, September 27, 2018 | None |
| Monday, September 18, 2017 | None |

Postal Ballot:

There were no Special Resolutions, which were put through postal ballot during the year under review. None of the businesses proposed to be transacted at the ensuing AGM requires passing a resolution by postal ballot.

V. DISCLOSURES:

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

There were no material and/or significant related party transactions during the year under review that were prejudicial to the interest of the Company.

The transactions entered into with the Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year which were in the ordinary course of business and at arm's length basis were placed before the Audit Committee. Details of related party transactions are included in the Notes to the Financial Statements as per India Accounting Standard-24 issued by the Institute of Chartered Accountants of India.

The Company has formulated a policy on Related Party Transactions and the same has been displayed on the Company's website at the link https://www.summitsecurities.net/files/corporate_governance/RelatedPartyTransactionPolicy.pdf

There were no transactions of the Company with any person or entity belonging to promoter/promoter group which holds 10% or more shareholding in the Company.

ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There are no penalties nor strictures imposed on the Company either by the Stock Exchanges or SEBI or any other Statutory Authorities on any matter related to capital markets, during the last three years.

iii. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

In compliance with the Listing Regulations and the Act, the Company has formulated a "Whistle Blower Policy and Vigil Mechanism" and the same is also published on the website of the Company. No personnel have been denied access to the Chairman of the Audit Committee.

iv. Compliance with Mandatory and adoption of non-mandatory requirements:

The Company complies with the mandatory requirements of Part C of Schedule V of Listing Regulations and most of the non-mandatory/discretionary requirements as mentioned in Part E of Schedule II of the said Regulations namely, appointment of Non-Executive, Independent Director as Chairman of the Board of Directors, separate positions for Chairman and Manager of the Company,

financial statements for the year ended March 31, 2020 are unqualified and Internal Auditor reports to the Audit Committee directly in all the functional matters.

v. Certificate on compliance of conditions of Corporate Governance:

The corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations to the extent applicable to the Company have been complied with.

Part E of Schedule V of Listing Regulations mandates to obtain a certificate either from the Auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance and annex the certificate with the Director's Report, which is sent annually to all the shareholders. The Company has obtained a certificate from its Statutory Auditors to this effect and the same is given as an annexure to the Director's Report.

vi. Weblinks:

Policy for determining 'material' subsidiaries is disclosed in the website of the Company at the link https://www.summitsecurities.net/files/corporate_governance/PolicyonMaterialSubsidiary.pdf

Policy on dealing with related party transactions at the link https://www.summitsecurities.net/files/corporate_governance/RelatedPartyTransactionPolicy.pdf and

Nomination and Remuneration policy at the web link https://www.summitsecurities.net/files/corporate_governance/Nomination_and_Remuneration_Policy.pdf

vii. Disclosure of Accounting Treatment:

The Company has followed Indian Accounting Standards (IND AS) specified under Section 133 of the Act, to the extent applicable, in the preparation of the financial statements.

viii. Confirmation in respect of Independent Directors:

Pursuant to Schedule V, Part C, Clause (2)(i), it is hereby confirmed that in the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

ix. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The requirement to provide details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) is not applicable to the Company.

x. Certificate of a Practicing Company Secretary for non-debarment and non-disqualification of Directors:

A certificate from M/s. Parikh Parekh & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being

appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority pursuant to Schedule V, Part C Clause (10)(i) forms part of the Annexure to this report.

xi. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

During the year, no complaints were received relating to Sexual Harassment.

xii. Disclosure of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part:

Details of total fees paid/payable for all services availed by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, during the year under review is as given below:

| Name of the Statutory Auditor and Network Entity | Type of Services | Name of the Company or its subsidiary obtaining the service | Amount (₹ in Lakhs) |
|--|--|---|---------------------|
| Chaturvedi & Shah LLP | Audit fee, Limited Review Report and Certification fees. | Summit Securities Limited | 2.25 |
| Total | | | 2.25 |

VI. MEANS OF COMMUNICATION:

(a) Financial Results:

The Company has submitted to the Stock Exchanges where the Company's share are listed viz., BSE Limited and National Stock Exchange of India Limited in the prescribed format, its Annual Audited Results for the year ended March 31, 2019 within 60 (sixty) days from the end of that financial year, Un-audited Quarterly Financial Results within 45 (forty-five) days from the end of the quarter and for the Annual Audited Results for the year ended March 31, 2020 within the period of extension of timeline as provided by SEBI.

(b) Publication and Display of Financial Results:

The Company has published the Financial Results within 48 hours of the conclusion of the Board Meeting(s) in Business Standard / Free Press Journal (English Newspaper) and Mumbai Lakshadweep / Navshakti (Marathi Newspaper) as per the format prescribed under the Listing Regulations read with applicable circulars issued by SEBI from time to time in this regard. The results were not published in the newspaper in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, granting relaxation from the provisions of Regulation 47 of the SEBI Listing Regulations.

The financial results are also displayed on the Company's website.

(c) Company's website:

The Company has maintained a functional website www.summitsecurities.net which depicts the detailed informed about the business activities of the Company, shareholding pattern, financial results, annual report apart other statutory information required to be made available in terms of the Act and Listing Regulations.

The Company provides all requisite information under the Listing Regulations to Stock Exchanges where the shares of the Company are listed. Information to Stock Exchanges is filed electronically on the online dedicated portals of BSE Limited and National Stock Exchange of India Limited.

The Company has provided an email address on its website namely, investors@summitsecurities.net where the investors can directly contact the Company.

VII. GENERAL SHAREHOLDER INFORMATION:

➤ AGM: Date, Time and Venue

As indicated in the notice accompanying this Annual Report, the Annual General Meeting of the Company will be held on Friday, September 25, 2020 at 11:00 a.m. (I.S.T.) through Video Conferencing.

➤ Dates of Book Closure:

Saturday, September 19, 2020 upto Friday, September 25, 2020 (both days inclusive).

➤ Financial Year:

The Company follows April 1 to March 31 as the financial year.

➤ Dividend Payment Date:

The Directors of the Company have not recommended any dividend for the year under review.

➤ Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the following stock exchanges:

| Name of the Stock Exchange | Address | Stock Code (Security Code/Symbol) |
|--|---|-----------------------------------|
| BSE Limited | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 | 533306 |
| National Stock Exchange of India Limited | Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400 051 | SUMMITSEC |

The ISIN of the Company: INE519C01017

The listing fees have been paid to both the stock exchanges for the FY 2019-20 and 2020-21.

➤ Market Price data:

| Month | BSE | | NSE | | SENSEX | |
|----------------|--------|--------|--------|--------|-----------|-----------|
| | High | Low | High | Low | High | Low |
| April 2019 | 675.00 | 587.00 | 670.00 | 586.90 | 39,487.45 | 38,460.25 |
| May 2019 | 618.95 | 490.40 | 596.00 | 495.00 | 40,124.96 | 36,956.10 |
| June 2019 | 604.95 | 480.15 | 573.00 | 477.60 | 40,312.07 | 38,870.96 |
| July 2019 | 505.00 | 413.30 | 498.05 | 412.00 | 40,032.41 | 37,128.26 |
| August 2019 | 455.95 | 397.00 | 499.00 | 401.00 | 37,807.55 | 36,102.35 |
| September 2019 | 530.00 | 423.00 | 524.00 | 427.10 | 39,441.12 | 35,987.80 |
| October 2019 | 530.00 | 445.00 | 498.35 | 441.00 | 40,392.22 | 37,415.83 |
| November 2019 | 469.95 | 396.00 | 484.00 | 395.00 | 41,163.79 | 40,014.23 |
| December 2019 | 460.00 | 381.05 | 464.90 | 395.20 | 41,809.96 | 40,135.37 |
| January 2020 | 498.75 | 415.10 | 492.00 | 416.00 | 42,273.87 | 40,476.55 |
| February 2020 | 449.45 | 410.00 | 454.80 | 405.00 | 41,709.30 | 38,219.97 |
| March 2020 | 431.10 | 203.00 | 435.00 | 197.20 | 39,083.17 | 25,638.90 |

➤ The Company Website: www.summitsecurities.net

➤ Registrar & Share Transfer Agents:

The share management work, both physical and demat is handled by the Registrar and Share Transfer Agents of the Company whose name and address is as given below:

TSR Darashaw Consultants Private Limited (formerly known as TSR Darashaw Limited)
6-10, Haji Moosa Patrawala Industrial Estate,
20 Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011.
E-mail : csg-unit@tsrdarashaw.com
Web : www.tsrdarashaw.com
Tel: 022-66568484; Fax: 022-66568494

Branch Offices:

1. Bangalore

TSR Darashaw Consultants Private Limited (formerly known as TSR Darashaw Limited)
503, Barton Centre (5th Floor)
84, Mahatma Gandhi Road,
Bangalore – 560 001.
E-mail : tsrdlbgang@tsrdarashaw.com
Tel: 080-25320321
Fax: 080-25580019

2. Jamshedpur

TSR Darashaw Consultants Private Limited
"E" Road, Northern Town, Bistupur,
Jamshedpur – 831 001.
E-mail : tsrdljsr@tsrdarashaw.com
Tel: 0657-2426616

3. Kolkata

TSR Darashaw Consultants Private Limited
Tata Centre, 1st Floor,
43, J. L. Nehru Road, Kolkata – 700 071.
E-mail : tsrdlcal@tsrdarashaw.com
Tel: 033-22883087
Fax: 033-22883062

4. New Delhi

TSR Darashaw Consultants Private Limited
2/42, Ansari Road, 1st Floor,
Daryaganj, Sant Vihar
New Delhi – 110 002.
E-mail : tsrdldel@tsrdarashaw.com
Tel: 011-23271805
Fax: 011-23271802

Agents:

Shah Consultancy Services Limited
3, Sumantinath Complex, 2nd Dhal,
Pritam Nagar, Ellisbridge,
Ahmedabad -380006
E-mail : shahconsultancy8154@gmail.com
Tel: 079-26576038

➤ Share Transfer System:

Pursuant to the amendment to the Listing Regulations, made effective from April 1, 2019, no shares can be transferred unless they are held in dematerialized mode. Members holding shares in physical form are therefore requested to convert their holdings into dematerialized mode to avoid loss of shares and fraudulent transactions and avail better investor servicing.

As such now only cases of valid transmission or transposition may be processed by the TSR, subject to compliance with the guidelines prescribed by SEBI. Every effort is made to clear share transmissions and split and consolidation requests within 21 days.

➤ Distribution of shareholding as of March 31, 2020:

| No. of Equity shares held | | No. of Shareholders | | No. of Shares | | % of Equity Capital | |
|---------------------------|------------|---------------------|---------------|---------------|--------------------|---------------------|--------------|
| From | to | Physical | Demat | Physical | Demat | Physical | Demat |
| 1 | 500 | 17,436 | 35,016 | 85,663 | 6,33,498 | 0.79 | 5.81 |
| 501 | 1,000 | 3 | 181 | 1,993 | 1,30,020 | 0.02 | 1.19 |
| 1,001 | 2,000 | 3 | 89 | 5,332 | 1,29,742 | 0.05 | 1.19 |
| 2,001 | 3,000 | 0 | 34 | 0 | 83,192 | 0.00 | 0.76 |
| 3,001 | 4,000 | 0 | 20 | 0 | 69,207 | 0.00 | 0.63 |
| 4,001 | 5,000 | 0 | 11 | 0 | 48,945 | 0.00 | 0.45 |
| 5,001 | 10,000 | 0 | 15 | 0 | 99,974 | 0.00 | 0.92 |
| 10,001 | 10,901,781 | 0 | 27 | 0 | 96,14,215 | 0.00 | 88.19 |
| TOTAL | | 17,442 | 35,393 | 92,988 | 1,08,08,793 | 0.85 | 99.15 |

➤ Dematerialisation of shares and liquidity:

The Company has arrangement with National Securities Depositories Limited ('NSDL') as well as Central Depository Services (India) Limited ('CDSL') for dematerialisation of shares with ISIN "INE519C01017" for both NSDL and CDSL.

99.15% of the Equity shares corresponding to 1,08,08,793 equity shares are held in dematerialised form as on March 31, 2020.

➤ Categories of shareholding as of March 31, 2020:

| Category | No. of Shares | Percentage |
|---|--------------------|---------------|
| Promoter | | |
| Promoter Holdings (Indian and Foreign) | 81,37,866 | 74.65 |
| Public | | |
| Mutual fund | 345 | 0.00 |
| Banks, Financial Institutions, Insurance Companies and others | 2,73,226 | 2.51 |
| Foreign Institutional Investors | 1,058 | 0.01 |
| Non-Resident Indian | 28,525 | 0.26 |
| Corporate Bodies, Indian Public and Others | 24,60,761 | 22.57 |
| TOTAL | 1,09,01,781 | 100.00 |

➤ Outstanding GDRs / ADRs / Warrants / Any other Convertible Instruments:

The Company has not issued any such instruments.

➤ Commodity Price risk or foreign exchange risk and hedging activities:

The Company's operations were not exposed to any commodity or foreign exchange risk nor has it indulged in any hedging activities during the year under review.

➤ List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year

Since, the Company had no borrowings during the year under review, no credit ratings were obtained by the Company from any credit rating agencies.

➤ Compliance Officer:

Ms. Jiya Gangwani
Company Secretary and Compliance Officer
Summit Securities Limited
Registered Office:
213, Bezzola Complex,
B wing, 71, Sion-Trombay Road,
Chembur, Mumbai 400 071
Tel: 91-22-25292152/54/55
Fax: 91-22-25297423
Email: investors@summitsecurities.net

➤ Disclosure in respect to Unclaimed Equity Shares in Summit Securities Limited – Unclaimed Securities Suspense Account:

Pursuant to Regulation 39(4) of the Listing Regulations [Clause 5A of the erstwhile Listing Agreement], 25,673 equity shares of the Company were transferred during December 2014 to Summit Securities Limited-Unclaimed Securities Suspense Account ('the Suspense Account') of the Company.

| Particulars | Number of members | Number of shares |
|---|-------------------|------------------|
| Aggregate number of members and the outstanding shares lying in the suspense account as on April 1, 2019 | 4,541 | 25,421 |
| Number of members who approached the company for transfer of shares from the suspense account during the year | 2 | 2 |
| Members to whom shares were transferred from the suspense account during the year | 2 | 2 |
| Aggregate number of members and the outstanding shares lying in the Suspense account as on March 31, 2020 | 4,539 | 25,419 |

The voting rights on the equity shares lying in the Suspense Account as on March 31, 2020 remain frozen till the rightful owner of such shares claims the shares.

➤ **Prevention of Insider Trading:**

The Company has formulated a Code of Fair Disclosure (Including Determination of Legitimate Purpose), Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Person(s) ('the Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, to come into effect from April 1, 2019, with a view to regulate trading in securities by the Directors and Designated Persons as identified therein. The Company Secretary acts as the Compliance Officer in terms of the Code.

➤ **Registration of email ID:**

As a step towards Green Initiative, the Company had availed special services offered by NSDL to

update email IDs of more number of Members of the Company who have not registered their email IDs. This enabled such Members to immediately receive various email communication from the Company from time to time including the annual report, dividend credit intimation etc.

In view of the restrictions of dispatching the Annual Reports or other communications through post, we request you to permanently register your email ID with the Company's RTA in case you hold shares in Physical mode or with your Depository Participant mode if you hold shares are held in demat mode. For more details you may also refer the Notice of the AGM.

➤ **CEO & CFO Certification:**

The Manager and Chief Financial Officer have issued a certificate pursuant to Regulation 17(8) of the Listing Regulations read with Schedule II, Part B thereof certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs.

➤ **Code of Conduct:**

The Board has laid down a code of conduct for all Board Members and Senior Management Personnel of the Company and is also available at https://www.summitsecurities.net/files/corporate_governance/Code_of_conduct.pdf

All Board Members and Senior Management Personnel have affirmed compliance with the code for the financial year ended March 31, 2020. A declaration to this effect signed by the Manager forms a part of this report.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration- Code of Conduct:

All Board Members and Senior Management Personnel of the Company have for the year ended March 31, 2020 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Summit Securities Limited

Place : Mumbai

Rohin Bomanji

Date : June 11, 2020

Manager

CERTIFICATE ON NON-DISQUALIFICATION / NON-DEBARMENT OF DIRECTORS

To,

Summit Securities Limited

213, Bezzola Complex, B Wing, 71,
Sion-Trombay Road, Chembur
Mumbai - 400071

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Summit Securities Limited** having **CIN L65921MH1997PLC194571** and having registered office at 213, Bezzolaa Complex, B Wing, 71, Sion-Trombay Road, Chembur Mumbai - 400071 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We 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 Authority.

| S. No. | Name of Director | DIN | *Date of Appointment in Company |
|--------|-------------------------------|----------|---------------------------------|
| 1. | Mr. Ramesh Chandak | 00026581 | 29/09/1999 |
| 2. | Mr. Abhay Vasant Nerurkar | 00045309 | 29/10/2015 |
| 3. | Mr. Hari Narain Singh Rajpoot | 00080836 | 11/02/2010 |
| 4. | Mr. Hemendra Chimanlal Dalal | 00206232 | 08/11/2012 |
| 5. | Mr. Amarendra Nath Misra | 00350790 | 07/10/2010 |
| 6. | Mr. Prem Kapil | 06921601 | 13/08/2014 |
| 7. | Ms. Sneha Sohan Ranade | 06878346 | 23/05/2014 |

**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. Our 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 **Parikh Parekh & Associates**
Practising Company Secretaries

Shalini Bhat

FCS No:6484 CP No: 6994

Mumbai, June 06, 2020

UDIN: F006484B000322008

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members

Summit Securities Limited

213, Bezzola Complex, B Wing, 71

Sion Trombay Road, Chembur

Mumbai-400071

1. The Corporate Governance Report prepared by Summit Securities Limited ("the Company"), contains details as stipulated in Regulation 17 to 27, Clause (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This certificate is required by the Company for annual submission to the stock exchange and to be sent to the shareholders of the Company.

MANAGEMENTS' RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITORS' RESPONSIBILITY

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the

risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

10. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

Jignesh Mehta

Partner

Membership No.: 102749

UDIN: 20102749AAAAWJ3336

Place: Mumbai

Date: June 23, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of
SUMMIT SECURITIES LIMITED

Report on the Standalone Financial Statements**Opinion**

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

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

Basis for Opinion

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

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report for the year ended 31st March, 2020.

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

The Company's Board of Directors is responsible for the other information. The other information comprises

the information included in the Annual Report, 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions

of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Other Matter

The financial information of the Company for the year ended 31st March, 2019 and the transition date opening balance sheet as at April 1, 2018 included in these standalone financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2019 and 31st March, 2018 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 15th May, 2019 and 23rd May, 2018 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- g) In our opinion, the managerial remuneration for the year ended 31st March, 2020 has been paid by the Company to its directors in accordance

with the provisions of section 197 read with Schedule V to the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 26 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

Jignesh Mehta

Partner

Membership No. 102749

Place: Mumbai

Dated: 23rd June 2020

UDIN: 20102749AAAWF3029

ANNEXURE TO AUDITOR'S REPORT

“ANNEXURE A” TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SUMMIT SECURITIES LIMITED

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)

- i) In respect of its Fixed Assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. As the Company has no immovable properties during the year, clause (c) (i) of the paragraph 3 of the order is not applicable on the Company.
- ii) In respect of its inventories:

As the Company did not have inventories during the year, clause (ii) of paragraph 3 of the order is not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the order is not applicable to the Company.
- iv) In respect of loans, investments, guarantee and securities given by the Company:-
 - a) According to the information and explanation given to us, the Company has not directly or indirectly advanced loan to the persons or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act.
 - b) According to the Information and explanation given to us, Company has complied with the provisions of Section 186 of the Act, in respect of Investments, loans, guarantee or security given.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1)

- of Section 148 of the Act in respect of the activities undertaken by the Company. Accordingly, the provision of clause 3(vi) of the order is not applicable.
- vii) In respect of Statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including goods and service tax, provident fund, income-tax, duty of customs, value added tax, cess and any other statutory dues as applicable to it have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2020 for a period of more than six months from the date of becoming payable.
 - b. On the basis of our examination of accounts and documents on records of the Company and information and explanations given to us upon enquires in this regard, there are no disputed amounts payable in respect of goods and service tax, provident fund, income tax, sales tax, service tax, duty and cess and any other statutory dues as applicable to it on account of any dispute, which have not been deposited with the appropriate authorities.
 - viii) The Company has not raised loans from financial institutions, banks, issue of debentures and government during the year and hence clause (viii) of paragraph 3 of the order is not applicable to the Company.
 - ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause (ix) of paragraph 3 of the order is not applicable to the Company.
 - x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
 - xi) In our opinion and according to the information and explanations given to us, 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 Act.
 - xii) In our opinion Company is not a nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
 - xiii) In respect of transactions with related parties:-

In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and their details have been disclosed in the

- standalone financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or of fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under Section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

- xvi) Based on information and explanation given to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and necessary registration has been obtained by the Company.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. 101720W/W100355

Jignesh Mehta
Partner

Place: Mumbai
Dated: 23rd June 2020

Membership No. 102749
UDIN: 20102749AAAAWF3029

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SUMMIT SECURITIES LIMITED

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control over financial reporting of **Summit Securities Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

Management Responsibility for the 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. 101720W/W100355

Jignesh Mehta
Partner

Place: Mumbai
Dated: 23rd June 2020

Membership No. 102749
UDIN: 20102749AAAAWF3029

Balance Sheet as at 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Note No | As at 31 st March, 2020 | As at 31 st March, 2019 | As at 1 st April, 2018 |
|--|---------|------------------------------------|------------------------------------|-----------------------------------|
| ASSETS | | | | |
| Financial Assets | | | | |
| Cash and cash equivalents | 3 | 1,009.78 | 295.94 | 23.96 |
| Other bank balances | 4 | - | - | - |
| Investments | 5 | 1,26,030.16 | 1,96,136.80 | 2,11,391.76 |
| Other financial assets | 6 | 10.93 | 6.74 | 0.52 |
| | | 1,27,050.87 | 1,96,439.48 | 2,11,416.24 |
| Non-financial Assets | | | | |
| Current tax assets (net) | 23a | 12.60 | 2.70 | - |
| Property, plant and equipment | 7 | 4.83 | 1.40 | 1.60 |
| Other non-financial assets | 8 | 48.26 | 41.26 | 42.03 |
| | | 65.69 | 45.36 | 43.63 |
| Total Assets | | 1,27,116.56 | 1,96,484.84 | 2,11,459.87 |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Payables | 9 | | | |
| Other Payables | | | | |
| Total outstanding dues of micro enterprise and small enterprise | | - | - | - |
| Total outstanding dues of creditors other than micro enterprise and small enterprise | | 10.65 | 16.78 | 4.07 |
| Other financial liabilities | 10 | 0.18 | 0.04 | - |
| | | 10.83 | 16.82 | 4.07 |
| Non-Financial Liabilities | | | | |
| Current tax liabilities (net) | 23a | - | - | 3.88 |
| Provisions | 11 | 26.25 | 14.70 | 20.16 |
| Deferred tax liabilities (net) | 12 | 7,595.81 | 16,065.97 | 17,959.87 |
| Other non-financial liabilities | 13 | 339.70 | 338.18 | 337.41 |
| | | 7,961.76 | 16,418.85 | 18,321.32 |
| Equity | | | | |
| Equity share capital | 14 | 1,090.18 | 1,090.18 | 1,090.18 |
| Other equity | 15 | 1,18,053.79 | 1,78,958.99 | 1,92,044.30 |
| | | 1,19,143.97 | 1,80,049.17 | 1,93,134.48 |
| Total Liabilities and Equity | | 1,27,116.56 | 1,96,484.84 | 2,11,459.87 |

See accompanying notes to the financial statements 1 to 33

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Regn No. : 101720W/W100355

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date : 23rd June 2020

For and on behalf of Board of Directors
Summit Securities Limited

H N Singh Rajpoot
Director
(DIN: 00080836)

A.V. Nerurkar
Director
(DIN: 00045309)

Parasmal Rakhecha
Chief Financial Officer

Jiya Gangwani
Company Secretary

Rohin Bomanji
Manager

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

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Note No | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|---------|--|--|
| Revenue from operations | | | |
| Interest income | 16 | 14.62 | 17.03 |
| Dividend income | 17 | 3,092.06 | 1,374.81 |
| Net gain on fair value changes | 18a | - | 18.86 |
| | | 3,106.68 | 1,410.70 |
| Other income | 19 | 0.22 | 1.04 |
| Total Income | | 3,106.90 | 1,411.74 |
| Expenses | | | |
| Net loss on fair value changes | 18b | 432.97 | - |
| Employee benefits expense | 20 | 108.12 | 93.10 |
| Depreciation, amortisation and impairment | 21 | 0.85 | 1.87 |
| Other expenses | 22 | 121.70 | 115.86 |
| Total Expenses | | 663.64 | 210.83 |
| Profit before tax | | 2,443.26 | 1,200.91 |
| Tax Expense: | 23 | | |
| Current tax | | 11.00 | 16.09 |
| Deferred tax (including Mat credit) | | (114.48) | (1.87) |
| Short/(Excess) Provision of Tax For Earlier Years | | - | (2.73) |
| Total tax expense | | (103.48) | 11.49 |
| Profit for the year | | 2,546.74 | 1,189.42 |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| - Fair valuation of equity instruments through other comprehensive income | | (71,795.67) | (16,174.99) |
| - Remeasurement benefit of defined benefit plans | | (11.95) | 8.21 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (8,355.68) | (1,892.04) |
| Total other comprehensive income | | (63,451.94) | (14,274.74) |
| Total comprehensive income for the year | | (60,905.20) | (13,085.32) |
| Earnings per equity share (Face Value 10 each) | 24 | | |
| Basic (₹) | | 23.36 | 10.91 |
| Diluted (₹) | | 23.36 | 10.91 |

See accompanying notes to the financial statements

1 to 33

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Regn No. : 101720W/W100355

Jignesh Mehta

Partner

Membership No. 102749

Place: Mumbai

Date : 23rd June 2020

For and on behalf of Board of Directors

Summit Securities Limited**H N Singh Rajpoot**

Director

(DIN: 00080836)

A.V. Nerurkar

Director

(DIN: 00045309)

Parasmal Rakhecha

Chief Financial Officer

Jiya Gangwani

Company Secretary

Rohin Bomanji

Manager

Cash flow statement for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 2,443.26 | 1,200.91 |
| Adjustment for : | | |
| Net (gain)/loss on fair value changes | 432.97 | (18.86) |
| Depreciation, amortisation and impairment | 0.85 | 1.87 |
| Operating profit before working capital changes | 2,877.09 | 1,183.92 |
| Adjustments for changes in working capital | | |
| (Increase)/Decrease in other financial assets | (4.19) | (6.22) |
| (Increase)/Decrease in other non-financial assets | (7.00) | 0.76 |
| Increase / (Decrease) in other financial liabilities | 0.15 | 0.04 |
| Increase / (Decrease) in payables | (6.13) | 12.73 |
| Increase / (Decrease) in provision | (0.40) | 2.76 |
| Increase / (Decrease) in other non financial liabilities | 1.52 | 0.77 |
| Cash generated from operating activities | 2,861.03 | 1,194.76 |
| Income tax paid (net of refunds) | (20.90) | (19.99) |
| Net cash generated from operating activities (A) | 2,840.13 | 1,174.77 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipments | (4.70) | (1.66) |
| Purchase of investments | (2,355.78) | (1,854.25) |
| Sale of investments | 234.19 | 953.12 |
| Net cash generated from investing activities (B) | (2,126.29) | (902.79) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net cash (used in) financing activities (C) | - | - |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 713.84 | 271.98 |
| Cash and cash equivalents as at beginning of the year | 295.94 | 23.96 |
| Cash and cash equivalents as at end of the year | 1,009.78 | 295.94 |
| Notes: | | |
| (i) The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows". | | |
| (ii) Cash and cash equivalents comprises of: | | |
| Cash on hand | 0.50 | 0.15 |
| Balances with banks | | |
| - In current accounts | 694.28 | 5.79 |
| - In deposit accounts (with maturity less than 3 months) | 315.00 | 290.00 |
| | 1,009.78 | 295.94 |

As per our report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Regn No. : 101720W/W100355

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date : 23rd June 2020

For and on behalf of Board of Directors
Summit Securities Limited

H N Singh Rajpoot
Director
(DIN: 00080836)

A.V. Nerurkar
Director
(DIN: 00045309)

Parasmal Rakhecha
Chief Financial Officer

Jiya Gangwani
Company Secretary

Rohin Bomanji
Manager

Statement of Changes in Equity for the period ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| A. Equity Share Capital | As at 31 st March, 2020 | As at 31 st March, 2019 | As at 1 st April, 2018 |
|--|---------------------------------------|---------------------------------------|---|
| Balance at the beginning of the reporting year | 1,090.18 | 1,090.18 | 1,090.18 |
| Changes in equity share capital during the year | - | - | - |
| Balance at the end of the reporting year | 1,090.18 | 1,090.18 | 1,090.18 |
| B. Other Equity | | | |
| | Reserves and Surplus | | |
| | Other comprehensive income | | Total |
| Particulars | General Reserve | Statutory Reserves | Retained Earnings |
| | | | Fair valuation of equity instruments |
| Balance as at 1st April 2018 | 37,967.25 | 2,693.06 | 10,630.31 |
| Profit for the year | - | - | 1,189.42 |
| Transferred to statutory reserves | - | 237.88 | (237.88) |
| Other comprehensive income (Net) | - | - | 68.48 |
| Balance as at 31st March 2019 | 37,967.25 | 2,930.95 | 11,650.33 |
| Profit for the year | - | - | 2,546.74 |
| Transferred to statutory reserves | - | 509.35 | (509.35) |
| Other comprehensive income (Net) | - | - | (63,451.94) |
| Balance as at 31st March 2020 | 37,967.25 | 3,440.30 | 13,687.72 |
| See accompanying notes to the financial statements | 1 to 33 | | 62,958.52 |
| | | | 1,18,053.79 |

For and on behalf of Board of Directors
Summit Securities Limited

As per our report of even date
For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Regn No. : 101720W/W100355

Jignesh Mehta

Partner

Membership No. 102749

Place: Mumbai

Date : 23rd June 2020

H N Singh Rajpoot

Director

(DIN: 00080836)

Parasmal Rakhecha

Chief Financial Officer

Rohin Bomanji

Manager

A. V. Nerurkar

Director

(DIN: 00045309)

Jiya Gangwani

Company Secretary

Notes to standalone financial statements for the year ended 31st March 2020

1. Summit Securities Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is listed on Bombay Stock Exchange & National Stock Exchange. The Company is a non-deposit taking Systemically Important Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("the RBI") and is engaged in the business of providing loans and making investments in shares and securities.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 23rd June 2020, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its annual general meeting.

Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

The financial statements up to year ended 31st March 2019 were prepared in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI (Indian GAAP or previous GAAP).

These financial statements for the year ended 31st March 2020 are the first financial statements of the Company under Ind AS. Refer note 31 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in INR, which is also the Company's functional currency and

all values are rounded to the nearest Lakhs (INR 000,00), except when otherwise indicated.

2. Summary of significant accounting policies followed by the Company

(A) Use of Significant judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible,

Notes to standalone financial statements for the year ended 31st March 2020

but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

(B) Revenue recognition

Interest income (Effective interest rate method)

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges). If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked 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 amortised through interest income in the statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets net of

upfront processing fees. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

(C) Financial instruments

Point of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as per the principles of the Ind AS. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts mentioned below:

Notes to standalone financial statements for the year ended 31st March 2020

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Subsequent measurement of financial assets

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset; and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- (a) Financial assets measured at amortized cost
- (b) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets measured at fair value through profit or loss (FVTPL)

(a) Financial assets measured at amortized cost:

A Financial asset is measured at the amortized cost if both the following conditions are met:

- (i) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash Flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date.

The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

(b) Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- (i) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt and equity instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of profit and loss under 'Other Comprehensive Income (OCI)'. However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss. On de-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss, except for instruments which the Company has irrevocably elected to be classified as equity through OCI at initial recognition, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and they are not held for trading. The Company has made such election on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in the statement of profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

(c) Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are

Notes to standalone financial statements for the year ended 31st March 2020

subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Financial assets or financial liabilities held for trading:

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

De-recognition:

(a) Financial asset:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset. A regular way purchase or sale of financial assets has been derecognised, as applicable, using trade date accounting.
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all the risks and rewards of the financial asset, but retains control

of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

(b) Financial liability:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets:

"In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms."

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a

Notes to standalone financial statements for the year ended 31st March 2020

financial instrument.

Other financial assets:

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(D) Fair Value

The Company measures its financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I input) and the lowest priority to

unobservable inputs (Level 3 inputs).

- Level 1 (unadjusted) - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- Level 3 - Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(E) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Notes to standalone financial statements for the year ended 31st March 2020

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. 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 the benefits of part or all such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company has not recognised a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

- the parent, investor, joint venture or joint operator is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period. Further, the MAT credit is not set-off against the deferred tax liabilities, since the Company does not have a legally enforceable right to set-off.

(F) Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as

Notes to standalone financial statements for the year ended 31st March 2020

a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(G) Investment in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

(H) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

(I) Employee Benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-employment benefits

(i) Defined contribution plans

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already

paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(ii) Defined benefits plans

Gratuity scheme:

Gratuity is a post-employment benefit and is a defined benefit plan. The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if any. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

Recognition and measurement of defined benefit plans

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company does not present the above liability/(asset) as current and non-current in the Balance Sheet as per the principles of Division III financial statements as per the MCA notification dated 11 October 2018.

(J) Lease accounting

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability

Notes to standalone financial statements for the year ended 31st March 2020

adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

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

(K) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(L) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(M) Property, plant & equipment

Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and

rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work-in-progress and capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-financial assets.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the written down value method based on the useful life of the asset as prescribed in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the underlying lease term on a straight-line basis.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(N) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to standalone financial statements for the year ended 31st March 2020

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does

not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(O) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31 st March, 2020 | As at 31 st March, 2019 | As at 1 st April, 2018 |
|--|--|--|---|
| 3 Cash and cash equivalents | | | |
| Cash on hand | 0.50 | 0.15 | 0.05 |
| Balances with banks in current account | 694.28 | 5.79 | 3.92 |
| Bank deposit with remaining maturity of less than 3 months | 315.00 | 290.00 | 20.00 |
| | 1,009.78 | 295.94 | 23.96 |
| 4 Other bank balances | | | |
| Fractional entitlement money | - | - | 12.67 |
| Less : Fractional entitlement money (#) | - | - | (12.67) |
| | - | - | - |

Fractional entitlement money represent dues payable to the shareholders who are entitled for fractional entitlement as per the scheme of arrangement as approved by the Hon'ble high court of judicature at Bombay, Maharashtra on December 18,2009 and during the previous year, same has been transferred to Investor Education and protection fund.

5 Investments

| | As at 31st March 2020 | | | As at 31st March 2019 | | | As at 1st April 2018 | | | | | |
|---|-----------------------|---|-------------------------------|-----------------------|------------------|---|-------------------------------|--------------------|------------------|---|-------------------------------|--------------------|
| | Cost | At fair value Through other compre- hensive income | Through profit and loss | Total | Cost | At fair value Through other compre- hensive income | Through profit and loss | Total | Cost | At fair value Through other compre- hensive income | Through profit and loss | Total |
| Mutual funds (unquoted) | - | - | 2,241.34 | 2,241.34 | - | - | 934.49 | 934.49 | - | - | 640.31 | 640.31 |
| Equity instruments | | | | | | | | | | | | |
| - Subsidiaries (unquoted) | 40,269.24 | - | - | 40,269.24 | 40,269.24 | - | - | 40,269.24 | 40,269.24 | - | - | 40,269.24 |
| - Others (quoted) | - | 81,698.47 | - | 81,698.47 | - | 1,53,080.87 | - | 1,53,080.87 | - | 1,68,605.62 | - | 1,68,605.62 |
| - Others (unquoted) | - | 1,677.27 | - | 1,677.27 | - | 1,616.48 | - | 1,616.48 | - | 1,616.48 | - | 1,616.48 |
| Investments through Portfolio Management Services ("PMS"): | | | | | | | | | | | | |
| - Equity instruments (quoted) | - | - | 141.07 | 141.07 | - | - | 215.09 | 215.09 | - | - | 257.29 | 257.29 |
| - Mutual funds (unquoted) | - | - | - | - | - | - | 0.003 | 0.003 | - | - | - | - |
| - Others | 2.77 | - | - | 2.77 | 20.63 | - | - | 20.63 | 2.81 | - | - | 2.81 |
| | 40,272.01 | 83,375.74 | 2,382.41 | 1,26,030.16 | 40,289.87 | 1,54,697.35 | 1,149.58 | 1,96,136.80 | 40,272.05 | 1,70,222.11 | 897.61 | 2,11,391.76 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Face value | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|--|--------------|-----------------------|------------------|-----------------------|------------------|----------------------|------------------|
| | | Number | Amount | Number | Amount | Number | Amount |
| (a) Investment in mutual funds | | | | | | | |
| (measured at Fair Value through PL) | | | | | | | |
| Aditya Birla Sunlife Corporate Bond Fund (formerly known as Birla Sunlife Short Term Fund) - DP - G* | 1,18,276.01 | 93.30 | 18,276.01 | 85.35 | 1,18,276.01 | 79.03 | |
| Aditya Birla Sunlife Medium Term Plan - Growth Regular Plan | - | - | 7,75,169.76 | 176.65 | 7,75,169.76 | 170.36 | |
| Axis Bluechip Fund DP - G* | 3,20,410.13 | 90.68 | - | - | - | - | |
| Axis Dynamic Bond Fund - DP - G* | 2,95,062.92 | 67.72 | - | - | - | - | |
| DSP Mid cap Fund - DP - G* | 2,63,569.43 | 123.84 | - | - | - | - | |
| HDFC Small Cap Fund - DP - G* | 4,24,583.38 | 119.35 | 4,24,583.38 | 202.81 | - | - | |
| ICICI Prudential Bluechip Fund DP - G* | 9,37,210.83 | 316.87 | - | - | - | - | |
| ICICI Prudential Liquid Fund - DP - G* | 74,623.39 | 219.23 | 74,623.39 | 206.27 | - | - | |
| IDFC Corporate Bond Fund DP - G* | - | - | - | - | 2,03,160.42 | 24.32 | |
| Invesco India Opp. Fund - DP - G* | 5,45,404.96 | 163.29 | - | - | - | - | |
| Kotak Corporate Bond Fund DP - G* | - | - | 2,432.56 | 61.48 | 2,432.56 | 56.63 | |
| Kotak Emerging Equity Fund - DP - G* | 3,67,755.22 | 118.11 | - | - | - | - | |
| L&T Banking and PSU Debt Fund - DP - G* | 19,23,783.76 | 357.17 | - | - | - | - | |
| Mirae Assets Large Cap Fund DP - G* | 2,15,308.43 | 89.25 | - | - | - | - | |
| Motilal Oswal Nasdaq 100 Fund DP G* | 7,65,058.26 | 97.89 | - | - | - | - | |
| SBI Blue Chip Fund - DP - G* | - | - | - | - | 12,24,042.04 | 309.97 | |
| UTI Nifty Index Fund - DP - G* | 4,07,875.77 | 232.15 | - | - | - | - | |
| UTI Nifty Next 50 Index Fund - DP - G* | 19,99,700.05 | 152.49 | 19,99,700.05 | 201.92 | - | - | |
| | | | 2,241.34 | | 934.49 | | 640.31 |
| * DP - G - Direct Plan Growth. | | | | | | | |
| (b) Investment in equity instruments | | | | | | | |
| Subsidiary, unquoted | | | | | | | |
| (Measured at cost) | | | | | | | |
| Instant Holdings Limited | 10 | 4,713,895 | 40,269.24 | 4,713,895 | 40,269.24 | 47,13,895 | 40,269.24 |
| | | | 40,269.24 | | 40,269.24 | | 40,269.24 |
| Others, unquoted | | | | | | | |
| (Measured at Fair Value Through OCI) | | | | | | | |
| Bombay Mercantile Co-op Bank Ltd. | 30 | 1,666 | 0.50 | 1,666 | 0.50 | 1,666 | 0.50 |
| CFL Capital Financial Services Ltd. | 10 | 2,46,00,921 | - | 2,46,00,921 | - | 2,46,00,921 | - |
| Spencer & Co. Limited (paid up value ₹ 9 per share) | 10 | 19,73,600 | 1,676.77 | 19,73,600 | 1,615.98 | 19,73,600 | 1,615.98 |
| | | | 1,677.27 | | 1,616.48 | | 1,616.48 |
| | | | 41,946.51 | | 41,885.72 | | 41,885.72 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Face value | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|--|------------|-----------------------|------------------|-----------------------|--------------------|----------------------|--------------------|
| | | Number | Amount | Number | Amount | Number | Amount |
| Quoted | | | | | | | |
| (Measured at Fair Value Through OCI) | | | | | | | |
| CEAT Limited | 10 | 10,14,230 | 7,983.00 | 10,14,230 | 11,402.48 | 959,125 | 14,403.66 |
| Harrisons Malayalam Limited | 10 | 160 | 0.09 | 160 | 0.11 | 728,160 | 535.56 |
| KEC International Limited | 2 | 2,79,10,754 | 51,774.45 | 2,79,10,754 | 83,620.62 | 2,77,53,845 | 1,08,337.13 |
| RPG Life Sciences Limited | 8 | 398 | 0.68 | 398 | 0.99 | 398 | 1.52 |
| State Bank of India Limited | 1 | 1 | 0.00 | - | - | - | - |
| STEL Holding Limited | 10 | 8,78,501 | 339.10 | 8,78,501 | 884.21 | 878,501 | 865.76 |
| Zensar Technologies Limited | 2 | 2,49,72,427 | 21,601.15 | 2,46,80,535 | 57,172.46 | 4,936,107 | 44,461.98 |
| | | | 81,698.47 | | 1,53,080.87 | | 1,68,605.62 |
| (c) Investments through portfolio managers: | | | | | | | |
| (Measured at Fair Value through PL) | | | | | | | |
| Equity instruments, quoted | | | | | | | |
| ACC Limited | 10 | 790 | 7.65 | - | - | - | - |
| Amber Enterprises India Limited | 10 | - | - | 1,356 | 11.07 | - | - |
| Ambuja Cements Limited | 2 | 5,805 | 9.04 | - | - | - | - |
| Ashoka Buildcon Limited | 10 | - | - | - | - | 3,451 | 8.57 |
| Astra Microwave Products Limited | 2 | 10,053 | 5.22 | - | - | - | - |
| Axis Bank Limited | 2 | - | - | - | - | 2,457 | 12.54 |
| Bharat Forge Limited | 2 | - | - | 1,194 | 6.12 | - | - |
| Bharti Airtel Limited | 5 | 1,427 | 6.29 | 4,155 | 13.84 | 4,155 | 16.57 |
| Bharti Infratel limited | 10 | - | - | 3,317 | 10.40 | 3,317 | 11.15 |
| Chambal Fertilizer & Chemical Limited | 10 | 4,653 | 5.05 | - | - | - | - |
| Container Corporation of India | 5 | 1,765 | 5.85 | - | - | 1,088 | 13.55 |
| Engineers India Limited | 5 | - | - | 7,066 | 8.29 | - | - |
| Gateway Distriparks Limited | 10 | - | - | 2,679 | 3.59 | 2,679 | 4.68 |
| Gujarat Pipavav Port Limited | 10 | 9,822 | 5.92 | 9,822 | 9.77 | 9,822 | 14.28 |
| HDFC Bank Limited | 1 | 643 | 5.54 | - | - | - | - |
| Hindalco Industries Limited | 1 | 3,849 | 3.68 | 1,599 | 3.29 | - | - |
| ICICI Bank Limited | 2 | 936 | 3.03 | 1,805 | 7.23 | 7,496 | 20.87 |
| JK Lakshmi Cement Limited | 5 | 1,524 | 2.99 | 1,460 | 5.07 | 3,124 | 14.41 |
| JMC Projects India Limited | 2 | - | - | - | - | 3,792 | 20.88 |
| JSW Energy Limited | 10 | 17,579 | 7.51 | 5,696 | 4.14 | - | - |
| KNR Constructions Limited | 2 | 4,152 | 8.16 | 4,152 | 10.85 | 5,022 | 14.26 |
| Larsen & Toubro Limited | 2 | 1,591 | 12.86 | 1,068 | 14.80 | 1,068 | 14.00 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Face value | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|---|------------|-----------------------|--------------------|-----------------------|--|--|--|
| | | Number | Amount | Number | Amount | Number | Amount |
| NTPC Limited | 10 | 14,694 | 12.37 | 12,870 | 17.34 | 7,513 | 12.75 |
| Orient Cement Limited | 1 | - | - | 2,231 | 1.76 | 6,359 | 8.86 |
| The Phoenix Mills Limited | 2 | - | - | 1,198 | 7.88 | - | - |
| PNC Infratech Limited | 2 | - | - | 7,275 | 11.15 | 7,275 | 12.76 |
| Power Grid Corporation of India Limited | 10 | - | - | 4,624 | 9.15 | 5,899 | 11.40 |
| Shree Cement Limited | 10 | - | - | 14 | 2.61 | - | - |
| SJVN Limited | 10 | - | - | 22,937 | 5.55 | - | - |
| Sundaram Finance Limited | 10 | 436 | 5.25 | - | - | - | - |
| Tata Metaliks Limited | 10 | 1,516 | 5.03 | 1,043 | 6.78 | 1,043 | 7.75 |
| Tata Power Co Limited | 1 | 21,899 | 7.19 | 18,304 | 13.51 | 22,624 | 17.87 |
| Tata Steel Limited | 10 | 616 | 1.66 | - | - | - | - |
| TD Power Systems Limited | 10 | 3,611 | 3.06 | 3,611 | 4.33 | 3,611 | 6.86 |
| Thermax Limited | 2 | 555 | 4.11 | - | - | - | - |
| Vedanta Limited | 1 | - | - | 4,572 | 8.43 | - | - |
| Voltamp Transformers Limited | 10 | 422 | 3.71 | 422 | 4.84 | - | - |
| VRL Logistics Limited | 10 | 3,555 | 5.49 | 3,930 | 11.13 | 3,449 | 13.28 |
| VST Tillers Tractors Limited | 10 | 166 | 1.11 | 166 | 2.18 | - | - |
| Wheels India Limited | 10 | 982 | 3.30 | - | - | - | - |
| | | | <u>141.07</u> | | <u>215.09</u> | | <u>257.29</u> |
| Mutual funds, unquoted | | | | | | | |
| ICICI Prudential Overnight Fund Direct daily Dividend | | - | - | 2.54 | 0.00 | - | - |
| | | | <u>-</u> | | <u>0.00</u> | | <u>-</u> |
| Other * | | | 2.77 | | 20.63 | | 2.81 |
| * Consists of balances in bank accounts maintained by portfolio managers. | | | <u>2.77</u> | | <u>20.63</u> | | <u>2.81</u> |
| | | | <u>1,26,030.16</u> | | <u>1,96,136.80</u> | | <u>2,11,391.76</u> |
| Out of above, | | | | | | | |
| In India | | | 1,26,030.16 | | 1,96,136.80 | | 2,11,391.76 |
| Outside India | | | - | | - | | - |
| | | | | | <u>As at 31st March, 2020</u> | <u>As at 31st March, 2019</u> | <u>As at 1st April 2018</u> |
| 6 Other financial assets | | | | | | | |
| Interest Receivable | | | | | 0.10 | 2.03 | 0.00 |
| Other receivables | | | | | 10.83 | 4.71 | 0.52 |
| | | | | | <u>10.93</u> | <u>6.74</u> | <u>0.52</u> |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

7 Property, plant and equipment

| | Computer | Office Equipment | Total |
|---|-------------|------------------|-------------|
| Gross block | | | |
| Balance as at 1st April 2018 (*) | 1.35 | 0.25 | 1.60 |
| Additions | 1.67 | - | 1.67 |
| Balance as at 31st March 2019 | 3.02 | 0.25 | 3.27 |
| Additions | 1.20 | 3.08 | 4.28 |
| Balance as at 31st March 2020 | 4.22 | 3.33 | 7.55 |
| Accumulated depreciation | | | |
| Balance as at 1st April 2018 (*) | - | - | - |
| Depreciation charge for the year | 1.65 | 0.22 | 1.87 |
| Balance as at 31st March 2019 | 1.65 | 0.22 | 1.87 |
| Depreciation charge for the year | 0.84 | 0.02 | 0.85 |
| Balance as at 31st March 2020 | 2.48 | 0.23 | 2.72 |
| Carrying value | | | |
| As at 1st April 2018 | 1.35 | 0.25 | 1.60 |
| As at 31st March 2019 | 1.37 | 0.03 | 1.40 |
| As at 31st March 2020 | 1.74 | 3.09 | 4.83 |

(*) For transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2018 (the transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Accordingly, the net balance of the gross block of the property, plant and equipment of 8.28 Lakhs as at the transition date, and the accumulated depreciation thereon of 6.68 Lakhs as at that date is considered as the deemed cost as at the transition date.

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|--------------------------|--------------------------|-------------------------|
| 8 Other non-financial assets | | | |
| (unsecured, considered good) | | | |
| Balances with government authorities | 39.16 | 39.16 | 39.16 |
| Security Deposit | 2.10 | 2.10 | 2.10 |
| Receivable from Employee | 7.00 | - | 0.01 |
| Advance given to vendors | - | - | 0.75 |
| | 48.26 | 41.26 | 42.03 |
| 9 Payables | | | |
| Other Payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 10.65 | 16.78 | 4.07 |
| | 10.65 | 16.78 | 4.07 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|----------------------------------|----------------------------------|---------------------------------|
| Principal amount due to suppliers under MSMED Act, as at the year end (since paid) | - | - | - |
| Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end (since paid) | - | - | - |
| Payment made to suppliers (other than interest) beyond the appointed day, during the year | - | - | - |
| Interest paid to suppliers under MSMED Act (other than section 16) | - | - | - |
| Interest paid to suppliers under MSMED Act (section 16) | - | - | - |
| Interest due and payable to suppliers under MSMED Act, for payments already made | - | - | - |
| Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid) | - | - | - |
| 10 Other financial liabilities | | | |
| Salary Payable | 0.18 | - | - |
| Dues to employees | - | 0.04 | - |
| | 0.18 | 0.04 | - |
| 11 Provisions | | | |
| Provision for Gratuity | 20.33 | 6.83 | 13.49 |
| Provision for Compensated Absence | 5.93 | 7.70 | 6.50 |
| Provision for Standard Assets | - | 0.17 | 0.17 |
| | 26.25 | 14.70 | 20.16 |
| 12 Deferred taxes | | | |
| Deferred tax liability: | | | |
| Fair valuation on investments carried at fair value through OCI | 8,420.65 | 16,776.33 | 18,668.37 |
| Fair valuation on investments carried at fair value through PL | (105.84) | 16.39 | 10.19 |
| Total deferred tax liabilities | 8,314.82 | 16,792.72 | 18,678.56 |
| Deferred tax assets: | | | |
| Difference between written down value of property, plant and equipment as per books of accounts and Income tax Act, 1961 | (0.25) | (0.23) | (0.02) |
| Provision for employee benefits through PL | 7.64 | 4.23 | 5.82 |
| Mat Credit Entitlement | 711.61 | 722.75 | 712.89 |
| Total deferred tax assets | 719.01 | 726.75 | 718.69 |
| Deferred tax liabilities (net) | 7,595.81 | 16,065.97 | 17,959.87 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in deferred tax liabilities for year ended 31st March 2019:

| Particulars | As at 1st April 2018 | Statement of Profit or Loss | Other comprehensive Income | As at 31st March 2019 |
|--|-------------------------|-----------------------------------|----------------------------------|-----------------------------|
| Deferred tax liabilities for taxable temporary differences on: | | | | |
| Fair valuation on investments carried at fair value through OCI | 18,668.37 | - | (1,892.04) | 16,776.33 |
| Fair valuation on investments carried at fair value through PL | 10.19 | 6.19 | - | 16.39 |
| Total | 18,678.56 | 6.19 | (1,892.04) | 16,792.72 |
| Deferred tax assets for deductible temporary differences on: | | | | |
| Difference between written down value of property, plant and equipment as per books of accounts and Income tax Act, 1961 | (0.02) | (0.21) | - | (0.23) |
| Provision for employee benefits through PL | 5.82 | (1.59) | - | 4.23 |
| Mat Credit Entitlement | 712.89 | 9.86 | - | 722.75 |
| Total | 718.69 | 8.06 | - | 726.75 |
| Deferred tax liabilities (net) | 17,959.87 | (1.87) | (1,892.04) | 16,065.97 |

Movement in deferred tax liabilities for year ended 31st March 2020:

| Particulars | As at 31st March 2019 | Statement of Profit or Loss | Other comprehensive Income | As at 31st March 2020 |
|--|-----------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Deferred tax liabilities for taxable temporary differences on: | | | | |
| Fair valuation on investments carried at fair value through OCI | 16,776.33 | - | (8,355.68) | 8,420.65 |
| Fair valuation on investments carried at fair value through PL | 16.39 | (122.22) | - | (105.84) |
| Total | 16,792.72 | (122.22) | (8,355.68) | 8,314.82 |
| Deferred tax assets for deductible temporary differences on: | | | | |
| Difference between written down value of property, plant and equipment as per books of accounts and Income tax Act, 1961 | (0.23) | (0.02) | - | (0.25) |
| Provision for employee benefits through PL | 4.23 | 3.41 | - | 7.64 |
| Mat Credit Entitlement | 722.75 | (11.13) | - | 711.61 |
| Total | 726.75 | (7.74) | - | 719.01 |
| Deferred tax liabilities (net) | 16,065.97 | (114.48) | (8,355.68) | 7,595.81 |
| | | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
| 13 Other non-financial liabilities | | | | |
| Statutory dues | | 3.00 | 1.48 | 0.71 |
| Sales Tax Payable | | 253.46 | 253.46 | 253.46 |
| Other Payable for Expenses | | 83.24 | 83.24 | 83.24 |
| | | 339.70 | 338.18 | 337.41 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|---|--------------------------|------------------|--------------------------|--------------------------|-------------------------|------------------|
| | Number | Amount | Number | Amount | Number | Amount |
| 14 Equity share capital | | | | | | |
| Authorized share capital | | | | | | |
| Equity shares of ₹ 10 each | 14,20,00,000 | 14,200.00 | 14,20,00,000 | 14,200.00 | 14,20,00,000 | 14,200.00 |
| Preference shares of ₹ 100 each | 25,00,000 | 2,500.00 | 25,00,000 | 2,500.00 | 25,00,000 | 2,500.00 |
| Preference shares of ₹ 10 each | 1,50,00,000 | 1,500.00 | 1,50,00,000 | 1,500.00 | 1,50,00,000 | 1,500.00 |
| | 15,95,00,000 | 18,200.00 | 15,95,00,000 | 18,200.00 | 15,95,00,000 | 18,200.00 |
| Issued | | | | | | |
| Equity shares of ₹ 10 each * | 1,09,01,987 | 1,090.20 | 1,09,01,987 | 1,090.20 | 1,09,01,987 | 1,090.20 |
| | 1,09,01,987 | 1,090.20 | 1,09,01,987 | 1,090.20 | 1,09,01,987 | 1,090.20 |
| * Includes 206 (P.Y 206) shares issued pursuant to the scheme of arrangement and kept in abeyance. | | | | | | |
| Issued, subscribed and fully paid-up | | | | | | |
| Equity shares of ₹ 10 each | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| (a) Reconciliation of equity share capital | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| Equity Shares | | | | | | |
| Balance at the beginning of the year | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| Add: Shares issued during the year | - | - | - | - | - | - |
| Balance at the end of the year | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| (b) Terms and rights attached to equity shares | | | | | | |
| Equity Shares | | | | | | |
| The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholdings. The shareholders have all other rights as available to the Equity Shareholders as per the provision of Companies Act, 2013 read together with the Memorandum of Association and Articles of Association of the company, as applicable. | | | | | | |
| (c) Details of shareholders holding 5% or more shares in the Company: | | | | | | |
| | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Equity shares of ₹ 10 each | | | | | | |
| Swallow Associates LLP (Holding Entity) | 76,93,928 | 70.57% | 76,22,815 | 69.92% | 76,22,815 | 69.92% |
| | 76,93,928 | 70.57% | 76,22,815 | 69.92% | 76,22,815 | 69.92% |
| | | | | | | |
| | | | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 | |
| 15 Other equity | | | | | | |
| (i) General reserve | | | | | | |
| Balance at the beginning of the year | | | 37,967.25 | 37,967.25 | 37,967.25 | |
| Add : Changes during the year | | | - | - | - | |
| Balance at the end of the year | | | 37,967.25 | 37,967.25 | 37,967.25 | |
| (ii) Statutory reserves (as per Sec 45 IC (1) of RBI Act, 1934) | | | | | | |
| Balance at the beginning of the year | | | 2,930.95 | 2,693.06 | 2,693.06 | |
| Add : Changes during the year | | | 509.35 | 237.88 | - | |
| Balance at the end of the year | | | 3,440.30 | 2,930.95 | 2,693.06 | |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|--------------------------|--------------------------|-------------------------|
| (iii) Retained earnings | | | |
| Balance at the beginning of the year | 11,650.33 | 10,630.31 | 10,630.31 |
| Add:- Profit for the year | 2,546.74 | 1,189.42 | - |
| <u>Item of other comprehensive income recognised directly in retained earnings</u> | | | |
| On realised profit transfer to retained earnings | - | 68.48 | - |
| Appropriations: | | | |
| Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 | (509.35) | (237.88) | - |
| Balance at the end of the year | <u>13,687.72</u> | <u>11,650.33</u> | <u>10,630.31</u> |
| (iv) Other comprehensive income | | | |
| Balance at the beginning of the year | 1,26,410.46 | 1,40,753.67 | 1,40,753.67 |
| Add : Changes during the year | (63,451.94) | (14,274.74) | - |
| Less : Items recognised directly in retained earnings | - | (68.48) | - |
| Balance at the end of the year | <u>62,958.52</u> | <u>1,26,410.46</u> | <u>1,40,753.67</u> |
| | <u>1,18,053.79</u> | <u>1,78,958.99</u> | <u>1,92,044.30</u> |

Description of nature and purpose of each reserve:**General reserve**

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves.

Statutory reserve

The Company is required to create a reserve in accordance with the provisions of Section 45IC of the Reserve Bank of India Act, 1934. Accordingly 20% of the profits after tax for the year is transferred to this reserve at the end of every reporting period.

Other comprehensive income

"This represents the cumulative gains and losses arising on the revaluation of financial instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off, if any. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income.

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| 16 Interest Income | | |
| (on financial assest measured at amortised cost) | | |
| Interest on Deposit with banks | 14.62 | 17.03 |
| | <u>14.62</u> | <u>17.03</u> |
| 17 Dividend Income | | |
| Dividend income on investments | 3,092.06 | 1,374.81 |
| | <u>3,092.06</u> | <u>1,374.81</u> |
| On Investment Measured at FVTPL | 4.32 | 4.20 |
| On Investment Measured at FVTOCI | 3,087.74 | 1,370.62 |
| | <u>3,092.06</u> | <u>1,374.81</u> |
| 18 Net gain/loss on fair value changes | | |
| (a) Net gain on financial instruments at FVTPL | | |
| mutual funds | - | 35.95 |
| equity shares through PMS | - | (17.09) |
| | <u>-</u> | <u>18.86</u> |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Fair value changes: | | |
| Realised Mutual Fund | - | 1.85 |
| Unrealised Mutual Fund | - | 34.10 |
| Realised equity shares through PMS | - | 14.98 |
| Unrealised equity shares through PMS | - | (32.07) |
| | - | 18.86 |
| (b) Net loss on financial instruments at FVTPL | | |
| mutual funds | 350.39 | - |
| equity shares through PMS | 82.58 | - |
| | 432.97 | - |
| Fair value changes: | | |
| Realised during the year Mutual Fund | (4.63) | - |
| Unrealised Mutual Fund | 355.02 | - |
| Realised during the year equity shares through PMS | 16.17 | - |
| Unrealised equity shares through PMS | 66.41 | - |
| | 432.97 | - |
| 19 Other income | | |
| Provisions/liabilities written back | 0.22 | - |
| Interest on Income Tax refund | - | 1.04 |
| Other miscellaneous income | 0.00 | - |
| | 0.22 | 1.04 |
| 20 Employee benefits expense | | |
| Salaries and wages | 104.68 | 88.45 |
| Contribution to provident and other funds | 1.08 | 2.76 |
| Staff welfare expenses | 2.36 | 1.90 |
| | 108.12 | 93.10 |
| (a) Defined benefits plans - Gratuity (unfunded) | | |
| Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is not subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Liability as on the Balance Sheet date is provided based on actuarial valuation done by a certified actuary using projected unit credit method. | | |
| The following tables summarise the components of defined benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the Balance Sheet for the respective plans: | | |
| | Year ended 31st March 2020 | Year ended 31st March 2019 |
| (i) Change in projected benefit obligation | | |
| Projected benefit obligation at the beginning of the year | 6.83 | 13.49 |
| Current service cost | 1.02 | 0.51 |
| Interest cost | 0.53 | 1.04 |
| Actuarial (gain)/loss arising from changes in financial assumption | 0.71 | 0.26 |
| Actuarial (gain)/loss arising from changes in demographic assumption | 0.00 | - |
| Actuarial (gain)/loss arising from experience adjustments | 11.24 | (8.47) |
| Benefit obligation at the end of the year | 20.33 | 6.83 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| (ii) Expenses charged to the Statement of Profit and Loss | | |
| - Current service costs | 1.02 | 0.51 |
| - Interest costs | 0.53 | 1.04 |
| | 1.55 | 1.56 |
| (iii) Remeasurement (gains)/losses in other comprehensive income | | |
| Actuarial (gains)/losses arising from change in financial assumption | 0.71 | 0.26 |
| Actuarial (gains)/losses arising from experience adjustments | 11.24 | -8.47 |
| | 11.95 | (8.21) |
| (iv) Key actuarial assumptions | | |
| Discount rate | 6.90% | 7.78% |
| Salary growth rate | 8.00% | 8.00% |
| Average remaining working life (in years) | 14 | 16 |
| Retirement age | 58 years | 58 years |

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--------------------|--------------------------|--------------------------|-------------------------|
| Mortality rate: | | | |
| Less than 30 years | 2% | 2% | 2% |
| 31-44 years | 2% | 2% | 2% |
| 45 years and above | 2% | 2% | 2% |

(v) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

| Particulars | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---------------------------------|-------------------------------|-------------------------------|
| DBO with discount rate + 1% | (0.80) | (0.66) |
| DBO with discount rate - 1% | 0.92 | 0.76 |
| DBO with + 1% salary escalation | 0.90 | 0.69 |
| DBO with - 1% salary escalation | (0.80) | (0.61) |
| DBO with + 1% withdrawal rate | (0.07) | (0.01) |
| DBO with - 1% withdrawal rate | 0.07 | 0.01 |

Methods and assumptions used in preparing sensitivity analysis and their limitations:

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

| | | |
|--|------|------|
| (vi) Expected Company Contribution in next year | 1.26 | 0.86 |
|--|------|------|

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(vii) Maturity analysis of the benefit payments:

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--------------|--------------------------|--------------------------|-------------------------|
| Year 1 | 10.79 | 0.50 | 0.24 |
| Year 2 | 0.12 | 0.11 | 0.07 |
| Year 3 | 0.13 | 0.12 | 0.08 |
| Year 4 | 0.15 | 0.13 | 0.09 |
| Year 5 | 4.34 | 0.14 | 0.10 |
| Year 6 to 10 | 4.80 | 5.84 | 12.91 |

(b) Compensated Absences

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|--------------------------|--------------------------|-------------------------|
| Maturity profile | | | |
| Present Value of unfunded obligation | 5.93 | 7.70 | 6.50 |
| Expenses recognised in Statement of Profit and Loss | (0.47) | 1.20 | 1.20 |
| Discount rate (p.a) | 6.90% | 7.78% | 7.74% |
| Salary Escalation Rate (p.a) | 8% | 8% | 8% |

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| 21 Depreciation, amortisation and impairment | | |
| Depreciation on property, plant and equipment (refer note 7) | 0.85 | 1.87 |
| | 0.85 | 1.87 |
| 22 Other Expenses | | |
| Rent | 4.54 | 1.92 |
| Advertisement | 1.02 | 0.73 |
| Brokerage | - | 0.69 |
| Rates and taxes | 15.43 | 11.89 |
| Legal and professional expenses | 62.84 | 34.45 |
| Investment Expenses | 5.93 | 8.38 |
| Listing and custodian fees | 9.20 | 9.48 |
| Repairs and maintenance - Others | 1.16 | 0.75 |
| Communication Expenses | 6.66 | 13.89 |
| Filing fees | 0.06 | 0.07 |
| Printing and stationery | 5.17 | 5.49 |
| Sitting fees | 2.13 | 2.15 |
| Insurance charges | 1.02 | 0.73 |
| Miscellaneous expenses | 3.20 | 3.11 |
| Corporate social responsibility (CSR) expenses (refer note 25) | - | 18.78 |
| Payment to auditors: | | |
| - Statutory audit (including limited review) | 2.25 | 2.25 |
| - Others | 1.08 | 1.08 |
| | 121.70 | 115.86 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| 23 Tax expense | | |
| Current tax | 11.00 | 16.09 |
| Short/(Excess) Provision of Tax For Earlier Years | - | (2.73) |
| Deferred tax | (125.61) | 7.99 |
| Mat Credit | 11.13 | (9.86) |
| | (103.48) | 11.49 |

The major components of income tax expense and the reconciliation of expense based on the domestic tax rate of 26% and 26% for financial year ended 31st March 2020 and 31st March 2019 respectively and the reported tax expense in profit or loss are as follows:

(a) Reconciliation of Current tax expenses :

| | | |
|---|-----------------|-----------------|
| Profit before tax | 2,443.26 | 1,200.91 |
| Enacted tax rates in India (%) | 26.00% | 26.00% |
| Computed tax expense | 635.25 | 312.24 |
| Effect of Income exempted from tax | (803.94) | (357.45) |
| Effect of non-deductible expenses | 59.97 | 54.71 |
| Effect of tax on capital gain | 119.71 | 6.60 |
| Total income tax expense as per the statement of profit and loss | 11.00 | 16.09 |
| 23a Current tax assets/(liabilities): | | |
| Opening balance | 2.70 | (3.88) |
| Add: During the year | 9.90 | 6.58 |
| | 12.60 | 2.70 |

24 Earnings per share (EPS)

| | | |
|---|--------------|--------------|
| Net profit attributable to equity shareholders | | |
| Net profit attributable to equity shareholders (in ₹ lakhs) | 2,546.74 | 1,189.42 |
| Nominal value of equity share (₹) | 10.00 | 10.00 |
| Weighted average number of equity shares outstanding | 10,901,781 | 10,901,781 |
| Basic earnings per share (₹) | 23.36 | 10.91 |
| Diluted earnings per share (₹) | 23.36 | 10.91 |

25 Corporate social responsibility expenditure

Disclosure in respect of CSR expenses under Section 135 of the Companies Act, 2013 and rules thereon:

| | | |
|---|---|-------|
| (a) Gross amount required to be spent during the year | - | 18.78 |
| (b) Amount spent during the year on: | | |
| - On purposes other than above | - | 18.78 |

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|--------------------------|--------------------------|-------------------------|
| 26 Contingent liabilities and commitments | | | |
| (a) Contingent liabilities | | | |
| Income Tax | 68.15 | - | - |
| Civil Suits | 140.14 | 140.14 | 140.14 |
| | 208.29 | 140.14 | 140.14 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

27 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31st March 2020

Relationship

(i) Holding

Swallow Associates LLP

(ii) Subsidiaries of Company (Control exist)

Instant Holdings Limited

Sudarshan Electronics and T.V. Limited

(iii) Key managerial personnel ('KMP')

| Key person | Designation |
|---------------------------|-------------------------|
| Ramesh Chandak | Director |
| Hari Narain Singh Rajpoot | Director |
| Amarendra Nath Mishra | Director |
| Hemendra Chimanlal Dalal | Director |
| Sneha Sohan Ranade | Director |
| Prem Kapil | Director |
| Abhay Vasant Nerurakar | Director |
| Paras Mal Rakhecha | Chief Financial Officer |
| Jiya Gangwani | Company Secretary |
| Rohin Feroze Bomanji | Manager |

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31st March 2020 :

Transactions with related parties

| Name of the party/Nature of transaction | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Key Managerial Personnel | | |
| Remuneration | 76.54 | 44.82 |
| Sitting Fees | 2.13 | 2.15 |

28 Fair value measurement

(a) Category wise classification of financial instruments

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|-----------------------------|------|--------------------------|--------------------------|-------------------------|
| A. Financial assets: | | | | |
| Carried at cost | | | | |
| Cash and cash equivalents | 3 | 1,009.78 | 295.94 | 23.96 |
| Investments | 5 | 40,272.01 | 40,289.87 | 40,272.04 |
| Other financial assets | 6 | 10.93 | 6.74 | 0.52 |
| | | 41,292.72 | 40,592.55 | 40,296.52 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|-----------------------------------|------|--------------------------|--------------------------|-------------------------|
| Carried at FVTPL | | | | |
| Investments | 5 | 2,382.41 | 1,149.58 | 897.61 |
| | | 2,382.41 | 1,149.58 | 897.61 |
| Carried at FVOCI | | | | |
| Investments in Equity Instruments | 5 | 83,375.74 | 1,54,697.35 | 1,70,222.11 |
| | | 83,375.74 | 1,54,697.35 | 1,70,222.11 |
| | | 1,27,050.87 | 1,96,439.48 | 2,11,416.24 |
| B. Financial liabilities | | | | |
| Measured at cost | | | | |
| Payables | 9 | 10.65 | 16.78 | 4.07 |
| Other financial liabilities | 10 | 0.18 | 0.04 | - |
| | | 10.83 | 16.82 | 4.07 |

(b) Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1: Valuation based on quoted market price: Financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: Valuation based on using observable inputs: Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: Valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|--------------------------|--------------------------|-------------------------|
| Level 1 (Quoted prices in active market) | | | |
| Financial assets measured at FVOCI | | | |
| Investments in quoted equity instruments | 81,698.47 | 1,53,080.87 | 1,68,605.62 |
| Financial assets measured at FVTPL | | | |
| Investments in mutual funds | 2,241.34 | 934.49 | 640.31 |
| Investments in quoted equity instruments | 141.07 | 215.09 | 257.29 |
| Level 3 (Significant observable inputs) | | | |
| Financial assets measured at FVOCI | | | |
| Investments in unquoted equity instruments | 1,677.27 | 1,616.48 | 1,616.48 |
| | 85,758.15 | 1,55,846.93 | 1,71,119.71 |

Reconciliation of fair value of measurement categorised within level 3 of the value hierarchy

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|--------------------------|--------------------------|-------------------------|
| Opening Fair value | 1,616.48 | 1,616.48 | 1,616.48 |
| Purchase/Sales of Financial Instruments | - | - | - |
| Amount transferred to/from level 3 | - | - | - |
| Change in Fair Value during the year | 60.79 | - | - |
| Closing Fair value | 1,677.27 | 1,616.48 | 1,616.48 |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments measured at Fair value - Level III

| Type | Valuation Technique | Significant Observable Input | Inter-relationship between significant unobservable inputs and fair value measurement |
|--------------------------------------|--|------------------------------|---|
| Investment in unquoted equity shares | Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/ business based on its book value with appropriate relevant adjustments. | Not Applicable | Not Applicable |

(c) Fair value of assets and liabilities measured at cost/amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, loans, other financial assets and other financial liabilities approximate their carrying amounts of these instruments.

29 Financial risk management

The Company is a Non-Banking Financial Company-Non Deposit Taking - Systemically Important (NBFC-ND-SI) registered with the Reserve Bank of India. On account of its business activities it is exposed to various financial risks associated with financials products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Company has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance.

(a) Credit risk

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. Similarly, a lender bears the risk that the borrower may default in the payment of contractual interest or principal on its debt obligations, or both. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Financial instruments

Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments, which has the least risk of default. The Company lends to borrowers with a good credit score and generally most of the lending is secured against assets pledged by the borrower in favour of the Company. These investments and loans are reviewed by the Board of Directors on a regular basis.

(b) Market risk:

Market risk is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. These daily price fluctuations follows its own broad trends and cycles and are more news and transaction driven rather than fundamentals and many a times, it may affect the returns from an investment. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

(i) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Company is exposed to price risk arising mainly from investments carried at fair value through FVTPL or FVOCI which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Carrying value as at | | |
|---|----------------------|-----------------|----------------|
| | 31st March 2020 | 31st March 2019 | 1st April 2018 |
| Investments carried at FVTPL or FVOCI valued using quoted prices in active market | 84,080.88 | 1,54,230.45 | 1,69,503.23 |

| Particulars | Sensitivity analysis on total comprehensive income upon fluctuation of market prices | |
|---|--|-----------------|
| | Increase by 10% | Decrease by 10% |
| Impact on total comprehensive income for year ended 31st March 2020 | 8,408.09 | (8,408.09) |
| Impact on total comprehensive income for year ended 31st March 2019 | 15,423.04 | (15,423.04) |

(ii) Interest Rate Risk

Risk of exposure to interest rate risk is not material.

(c) Liquidity risk:

Liquidity refers to the readiness of the Company to sell and realise its financial assets. Liquidity risk is one of the most critical risk factors for Companies which is into the business of investments in shares and securities. It is the risk of not being able to realise the true price of a financial asset, or is not being able to sell the financial asset at all because of non-availability of buyers. Unwillingness to lend or restricted lending by Banks and Financial Institutions may also lead to liquidity concerns for the entities.

The Company maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities. The Company is currently having a mix of both short-term and long-term investments. The management ensures to manage its cash flows and asset liability patterns to ensure that the financial obligations are satisfied in timely manner.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis.

| Particulars | Less than 1 year | Between 1 to 5 years | Over 5 years | Total |
|------------------------------|------------------|----------------------|--------------|--------------|
| As at 31st March 2020 | | | | |
| Other Payables | 10.65 | - | - | 10.65 |
| Other financial liabilities | 0.18 | - | - | 0.18 |
| | 10.83 | - | - | 10.83 |
| As at 31st March 2019 | | | | |
| Other Payables | 16.78 | - | - | 16.78 |
| Other financial liabilities | 0.04 | - | - | 0.04 |
| | 16.82 | - | - | 16.82 |
| As at 1st April 2018 | | | | |
| Other Payables | 4.07 | - | - | 4.07 |
| | 4.07 | - | - | 4.07 |

30 Capital management

For the purpose of Company's capital management, capital includes issued equity share capital, other equity reserves and borrowed capital less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximize shareholder's value.

The entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio. The entity includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Following table summarizes the capital structure of the Company.

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|--------------------------|--------------------------|-------------------------|
| Borrowings | - | - | - |
| Less: Cash and cash equivalents (including other bank balances) | 1,009.78 | 295.94 | 23.96 |
| Adjusted net debt | (1,009.78) | (295.94) | (23.96) |
| Total equity (*) | 1,19,143.97 | 1,80,049.17 | 1,93,134.48 |
| Net debt to equity ratio | (0.01) | (0.00) | (0.00) |

(*) Equity includes capital and all reserves of the Company that are managed as capital.

Regulatory Capital

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|----------------------------|--------------------------|--------------------------|-------------------------|
| Tier I Capital | 9,538.32 | 6,912.14 | 6,515.19 |
| Tier II Capital | - | - | - |
| | 9,538.32 | 6,912.14 | 6,515.19 |
| Risk Weighted Assets (RWA) | 8,169.25 | 6541.31 | 6,205.31 |
| Tier I CRAR | 116.76% | 105.67% | 104.99% |
| Tier II CRAR | - | - | - |
| | 116.76% | 105.67% | 104.99% |

31 First time adoption of Ind AS

These standalone financial statements, for the year ended 31st March 2020, are the first financial statements, which the Company has prepared in accordance with the Ind AS. For periods up to and including the year ended 31st March 2019, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared these standalone financial statements which comply with the Ind AS applicable for periods ending on 31st March 2020, together with the comparative period data as at and for the year ended 31st March 2019, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening balance sheet was prepared as at 1st April 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2018 and the standalone financial statements as at and for the year ended 31st March 2019.

Ind AS 101 has set out certain mandatory exceptions and optional exemptions to be applied for transition from the existing Indian GAAP to Ind AS. The Company has adopted the following in preparing its opening Ind AS Balance Sheet.

(a) Optional exemptions

- (i) Cost of property, plant and equipments - Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the previous GAAP financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

Notes to standalone financial statements for the year ended 31st March 2020*(All amounts in ₹ Lakhs, unless otherwise stated)*

- (ii) Investments in subsidiaries, joint ventures and associates - In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet. Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.
- (iii) Business Combination Exemption: The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2018 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.
- (iv) The Company has decided to disclose prospectively from the date of transition the following as required by Ind AS 19 i) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and ii) The experience adjustments arising on; a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

(b) Mandatory exceptions

- (i) Financial assets and liabilities: The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.
- (ii) Estimates - An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2018 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:
 - (i) Financial instruments carried at fair value through profit or loss and carried through other comprehensive income.
 - (ii) Impairment of financial assets based on expected credit loss model
- (iii) De-recognition - The Company has applied the de-recognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

Derecognition of financial assets and financial liabilities - A first-time adopter should apply the derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities under its previous GAAP as a result of a transaction that occurred before the date of transition, it should not recognise those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

- (iv) Impairment on financial assets - As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) Reconciliation between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for the prior periods. The following tables represent the reconciliation from Previous GAAP to IndAS.

(i) Reconciliation of equity as at date of transition 1st April 2018 and as at 31st March 2019

| | Note | Balance Sheet as at 31st March 2019 | | | Balance Sheet as at 1st April 2018 | | |
|-------------------------------------|------|--|-------------------------------------|--------------------|---------------------------------------|-------------------------------------|--------------------|
| | | IGGAP | Effect of Transition to INDAS | INDAS | IGGAP | Effect of Transition to INDAS | INDAS |
| ASSETS | | | | | | | |
| Financial Assets | | | | | | | |
| Cash and cash equivalents | | 295.94 | - | 295.94 | 23.96 | - | 23.96 |
| Investments | A | 52,914.27 | 1,43,222.53 | 1,96,136.80 | 51,927.79 | 1,59,463.97 | 2,11,391.76 |
| Other financial assets | | 6.74 | - | 6.74 | 0.52 | - | 0.52 |
| | | <u>53,216.95</u> | <u>1,43,222.53</u> | <u>1,96,439.48</u> | <u>51,952.27</u> | <u>1,59,463.97</u> | <u>2,11,416.24</u> |
| Non-financial Assets | | | | | | | |
| Current tax assets (net) | | 2.70 | - | 2.70 | - | - | - |
| Property, plant and equipment | | 1.40 | - | 1.40 | 1.60 | - | 1.60 |
| Other non-financial assets | | 41.26 | - | 41.26 | 42.03 | - | 42.03 |
| | | <u>45.36</u> | <u>-</u> | <u>45.36</u> | <u>43.63</u> | <u>-</u> | <u>43.63</u> |
| Total Assets | | <u>53,262.31</u> | <u>1,43,222.53</u> | <u>1,96,484.84</u> | <u>51,995.90</u> | <u>1,59,463.97</u> | <u>2,11,459.87</u> |
| LIABILITIES AND EQUITY | | | | | | | |
| LIABILITIES | | | | | | | |
| Financial Liabilities | | | | | | | |
| Payables | | 16.78 | - | 16.78 | 4.07 | - | 4.07 |
| Other financial liabilities | | 0.04 | - | 0.04 | - | - | - |
| | | <u>16.82</u> | <u>-</u> | <u>16.82</u> | <u>4.07</u> | <u>-</u> | <u>4.07</u> |
| Non-Financial Liabilities | | | | | | | |
| Current tax liabilities (net) | | - | - | - | 3.88 | - | 3.88 |
| Provisions | | 14.70 | - | 14.70 | 20.16 | - | 20.16 |
| Deferred tax liabilities (net) | B | (722.75) | 16,788.72 | 16,065.97 | (712.90) | 18,672.77 | 17,959.87 |
| Other non-financial liabilities | | 338.18 | - | 338.18 | 337.41 | - | 337.41 |
| | | <u>(369.87)</u> | <u>16,788.72</u> | <u>16,418.85</u> | <u>(351.45)</u> | <u>18,672.77</u> | <u>18,321.32</u> |
| Equity | | | | | | | |
| Equity share capital | | 1,090.18 | - | 1,090.18 | 1,090.18 | - | 1,090.18 |
| Other equity | C | 52,525.18 | 1,26,433.81 | 1,78,958.99 | 51,253.10 | 1,40,791.20 | 1,92,044.30 |
| | | <u>53,615.36</u> | <u>1,26,433.81</u> | <u>1,80,049.17</u> | <u>52,343.28</u> | <u>1,40,791.20</u> | <u>1,93,134.48</u> |
| Total Liabilities and Equity | | <u>53,262.31</u> | <u>1,43,222.53</u> | <u>1,96,484.84</u> | <u>51,995.90</u> | <u>1,59,463.97</u> | <u>2,11,459.87</u> |

(*) The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this Note.

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Reconciliation of total comprehensive income for the year ended 31st March 2019 summarised in below table

| | Note | Year Ended 31st March 2019 | | |
|---|------|----------------------------|-------------------------------|--------------------|
| | | IGGAP | Effect of Transition to INDAS | INDAS |
| Revenue from operations | | | | |
| Interest income | | 17.03 | - | 17.03 |
| Dividend income | | 1,374.81 | - | 1,374.81 |
| Net gain on fair value changes | A | 85.31 | (66.45) | 18.86 |
| | | 1,477.15 | (66.45) | 1,410.70 |
| Other income | | 1.04 | - | 1.04 |
| Total Income | | 1,478.19 | (66.45) | 1,411.74 |
| Expenses | | | | |
| Employee benefits expenses | D | 84.89 | 8.21 | 93.10 |
| Depreciation, amortisation and impairment | | 1.87 | - | 1.87 |
| Other expenses | | 115.86 | - | 115.86 |
| Total Expenses | | 202.62 | 8.21 | 210.83 |
| Profit before tax | | 1,275.57 | (74.66) | 1,200.91 |
| Tax Expense: | | | | |
| Current tax | | 16.09 | - | 16.09 |
| Deferred tax (including Mat credit) | B | (9.86) | 7.99 | (1.87) |
| Short/(Excess) Provision of Tax For Earlier Years | | (2.73) | (2.73) | |
| Total tax expense | | 3.50 | 7.99 | 11.49 |
| Profit for the year | | 1,272.07 | (82.65) | 1,189.42 |
| Other Comprehensive Income | | | | |
| (i) Items that will not be reclassified to profit or loss | | | | |
| - Fair valuation of equity instruments through other comprehensive income | A | - | (16,174.99) | (16,174.99) |
| - Remeasurement benefit of defined benefit plans | D | - | 8.21 | 8.21 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | | |
| | | - | (1,892.04) | (1,892.04) |
| Total other comprehensive income | | - | (14,274.73) | (14,274.74) |
| Total comprehensive income for the year | | 1,272.07 | (14,357.39) | (13,085.32) |

(*) The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this Note.

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(iii) Effect of Ind AS adoption on total equity:

| Particulars | Notes | As at 31st March 2019 | As at 1st April 2018 |
|---|-------|-----------------------------|----------------------------|
| Total equity (Shareholder's fund) as per Previous GAAP | | 52,525.18 | 51,253.10 |
| Adjustments: | | | |
| Fair valuation of investments in equity instruments | A(a) | 1,43,178.58 | 1,59,422.06 |
| Fair valuation of investments in equity instruments through PMS | A(b) | (20.54) | 11.52 |
| Fair valuation of investments in mutual funds | A(b) | 64.49 | 30.39 |
| Deferred tax on above items | B | (16,788.72) | (18,672.77) |
| Total equity as per Ind AS | | 1,78,958.99 | 1,92,044.30 |

(*) The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this Note.

(iv) Effect of Ind AS adoption on total comprehensive income:

| Particulars | Notes | Year ended 31st March 2019 |
|---|-------|----------------------------------|
| Net profit as per previous GAAP | | 1,272.07 |
| Effect of measuring financial instruments at fair value | A | (66.45) |
| Remeasurement benefit of net defined benefit plans | D | (8.21) |
| Deferred taxes | B | (7.99) |
| Net profit as per Ind AS | | 1,189.42 |
| Other comprehensive income (net of tax) | C | (14,274.74) |
| Total comprehensive income as per Ind AS | | (13,085.32) |

(v) Footnotes to the reconciliation of equity as at 1st April 2018 and 31st March 2019

A Investment

a FVOCI Financial assets

Under Indian GAAP, the Company accounted for long-term investments in unquoted equity shares and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes.

b FVTPL Financial assets

In the financial statements prepared under Previous GAAP, investments of the Company were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised the following investments through the profit and loss:

- Mutual Funds
- Equity Shares held through PMS

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

B Deferred tax

In the standalone financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

C Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes fair valuation of investments in equity instruments, re-measurements of defined benefit plans and their corresponding income tax effects. The concept of other comprehensive income did not exist under Previous GAAP.

D Remeasurement benefit of defined benefit plan

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the Statement of Profit or Loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

32 As required by RBI Master Direction - Non Banking Financial Company - Systemically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016 ("the NBFC Master Direction)

| Particulars | | As at 31st March 2020 | |
|-------------------|---|-----------------------|----------------|
| Liabilities side: | | | |
| 1 | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | Amount outstanding | Amount overdue |
| | (a) Debentures : Secured | - | - |
| | : Unsecured | - | - |
| | (other than falling within the meaning of public deposits*) | - | - |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | - | - |
| | (d) Inter-corporate loans and borrowing | - | - |
| | (e) Commercial Paper | - | - |
| | (f) Public Deposits* | - | - |
| | (g) Other Loans (specify nature) | - | - |
| 2 | Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): | | |
| | (a) In the form of Unsecured debentures | - | - |
| | (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - | - |
| | (c) Other public deposits | - | - |

*Please see Note 1 below

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Assets side : | Amount outstanding |
|----------|---|---------------------------|
| 3 | Break-up of Loans and Advances including bills receivables [other than those | |
| | included in (4) below) : | |
| | (a) Secured | - |
| | (b) Unsecured | - |
| 4 | Break-up of Leased Assets and stock on hire and Other assets counting towards AFC activities : | |
| | (i) Lease assets including lease rentals under sundry debtors : | |
| | (a) Financial lease | - |
| | (b) Operating lease | - |
| | (ii) Stock on hire including hire charges under sundry debtors: | |
| | (a) Assets on hire | - |
| | (b) Repossessed Assets | - |
| | (iii) Other loans counting towards AFC activities | |
| | (a) Loans where assets have been repossessed | - |
| | (b) Loans other than (a) above | - |
| 5 | Break-up of Investments : | |
| | Current Investments : | |
| 1 | Quoted : | |
| | (i) Share : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others (please specify) | - |
| 2 | Unquoted : | |
| | (i) Share : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | Long Term Investments : | |
| 1 | Quoted : | |
| | (i) Share : (a) Equity | 81,839.54 |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| Assets side : | | Amount outstanding |
|---------------|------------------------------|--------------------|
| 2 | Unquoted : | |
| | (i) Share: (a) Equity | 41,946.51 |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | 2,241.34 |
| | (iv) Government Securities | - |
| | (v) Others- PMS Bank Balance | 2.77 |

6 Borrower group-wise classification of assets financed as in (3) and (4) above :

| Category | Amount net of provisions | | |
|---|--------------------------|-----------|-------|
| | Secured | Unsecured | Total |
| 1 Related Parties ** | | | |
| (a) Subsidiaries & Step Down Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | - | - | - |
| 2 Other than related parties | - | - | - |
| Total | - | - | - |

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

| Category | | Market Value/ Break-up or fair value or NAV | Book Value (Net of Provisions) |
|-------------------------------------|--|---|--------------------------------------|
| 1 Related Parties ** | | - | |
| (a) Subsidiaries | | 40,269.24 | 40,269.24 |
| (b) Companies in the same group | | 83,375.24 | 11,992.29 |
| (c) Other related parties | | - | - |
| 2 Other than related parties | | 2,385.68 | 2,798.52 |
| Total | | 1,26,030.16 | 55,060.05 |

**As per Accounting Standard of ICAI

8 Other information

| Particulars | | Amount | |
|--|--|--------|---|
| (i) Gross Non-Performing Assets | | - | |
| (a) Related parties | | - | - |
| (b) Other than related parties | | - | - |
| (ii) Net Non-Performing Assets | | | |
| (a) Related parties | | - | - |
| (b) Other than related parties | | - | - |
| (iii) Assets acquired in satisfaction of debt | | - | - |

Disclosures are made as per Ind AS financial statements except otherwise stated)

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|-----------------------------|-----------------------------|----------------------------|
| 9 Capital | | | |
| Capital to Risk/Weighted Assets Ratio (CRAR) (%) | 116.76% | 105.67% | 104.99% |
| CRAR-Tier I Capital (%) | 116.76% | 105.67% | 104.99% |
| CRAR-Tier II Capital (%) | 0.00% | 0.00% | 0.00% |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|-----------------------------|-----------------------------|----------------------------|
| 10 Investments | | | |
| A. Value of Investments | | | |
| Gross Value of Investments: | | | |
| a) In India | 1,26,030.16 | 1,96,136.80 | 2,11,391.76 |
| b) Outside India | - | - | - |
| Provisions for Depreciation: | | | |
| a) In India | - | - | - |
| b) Outside India | - | - | - |
| Net Value of Investments | | | |
| a) In India | <u>1,26,030.16</u> | <u>1,96,136.80</u> | <u>2,11,391.76</u> |
| b) Outside India | <u>-</u> | <u>-</u> | <u>-</u> |
| B. Movement of provisions held towards depreciation on investments | | | |
| Opening Balance | - | - | - |
| Add: Provisions made during the year | - | - | - |
| Less: Write-off/Write-back of excess provisions during the year | - | - | - |
| Closing Balance | <u>-</u> | <u>-</u> | <u>-</u> |
| 11 Derivatives | | | |
| The Company does not have any derivatives exposure in the current and previous years. | | | |
| 12 Disclosures relating to Securitisation | | | |
| The Company does not have any securitisation transactions in the current and previous years. | | | |
| 13 Asset Liability Management | | | |
| Disclosures relating to maturity pattern of certain items of assets and liabilities are given in note 32. | | | |
| 14 Exposures | | | |
| A) Exposure to Real Estate Sector | | | |
| Category | | | |
| a) Direct Exposure | | | |
| i) Residential Mortgages- | - | - | - |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | | | |
| ii) Commercial Real Estate | - | - | - |
| Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits | | | |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|-----------------------------|-----------------------------|----------------------------|
| iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures - | | | |
| a) Residential | - | - | - |
| b) Commercial Real Estate | - | - | - |
| Total exposure to Real estate sector | - | - | - |
| B) Exposure to Capital Market | | | |
| i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | 84,080.88 | 1,54,230.45 | 1,69,503.23 |
| ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; | - | - | - |
| iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | - | - | - |
| iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances; | - | - | - |
| v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | - | - | - |
| vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | - | - | - |
| vii) bridge loans to companies against expected equity flows / issues; | - | - | - |
| viii) all exposures to Venture Capital Funds (both registered and unregistered) | - | - | - |
| Total Exposure to Capital Market | 84,080.88 | 1,54,230.45 | 1,69,503.23 |

C) Details of financing of parent company products

No disclosures required.

D) Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

E) Unsecured Advances

The Company does not have any unsecured advances for which intangible securities such as charge over rights, license, authority, etc. has been taken.

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

15 Miscellaneous

A) Registration obtained from other financial sector regulators

The Company does not have any registrations obtained from other financial sector regulators.

B) Disclosure of Penalties imposed by RBI and other regulators

There have been no penalties imposed on the Company by RBI or other financial sector regulators during the current and previous year.

C) Ratings assigned by credit rating agencies and migration of ratings during the year

The Company has not obtained credit ratings from any agencies during the year.

D) Related Party Transaction

Refer Note No 27

16 Additional Disclosures

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|----------------------------------|----------------------------------|
| A) Provisions and Contingencies | | |
| Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss | | |
| Provisions for depreciation on Investment | - | - |
| Provision towards NPA | - | - |
| Provision made towards Income tax | 11.00 | 16.09 |
| Other Provision and Contingencies | - | - |
| Provision for Standard Assets | - | 0.17 |

B) Draw Down from Reserves

There have been no instances of draw down from reserves by the Company during the current and previous year.

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|-----------------------------|-----------------------------|----------------------------|
| C) Concentration of Advances, Exposures and NPAs | | | |
| a) Concentration of Deposits | | | |
| Total Deposit to twenty largest borrowers | - | - | - |
| Percentage of deposit to twenty largest borrowers to Total Advances | 0.00% | 0.00% | 0.00% |
| a) Concentration of Advances | | | |
| Total Advances to twenty largest borrowers | - | - | - |
| Percentage of Advances to twenty largest borrowers to Total Advances | 0.00% | 0.00% | 0.00% |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|---|-----------------------------|----------------------------|
| b) Concentration of Exposures | | | |
| Total exposure to twenty largest borrowers/customers | | | |
| Percentage of exposures to twenty largest borrowers / customers to Total Exposure | - | - | - |
| c) Concentration of NPAs | | | |
| Total exposure to top four NPA accounts | - | - | - |
| d) Sector-wise NPAs | | | |
| | Percentage of NPAs to Total Advances in that sector | | |
| Agriculture & allied activities | - | - | - |
| MSME | - | - | - |
| Corporate borrowers | - | - | - |
| Services | - | - | - |
| Unsecured personal loans | - | - | - |
| Auto loans | - | - | - |
| Other personal loans | - | - | - |
| e) Movement of NPAs | | | |
| i) Net NPAs to Net Advances (%) | 0.00% | 0.00% | 0.00% |
| ii) Movement of NPAs (Gross) | | | |
| a) Opening Balance | - | - | - |
| b) Additions during the year | - | - | - |
| c) Reductions during the year | - | - | - |
| d) Closing balance | - | - | - |
| iii) Movement of Net NPAs | | | |
| a) Opening Balance | - | - | - |
| b) Additions during the year | - | - | - |
| c) Reductions during the year | - | - | - |
| d) Closing balance | - | - | - |
| iv) Movement of provisions for NPAs (excluding provisions on standard assets) | | | |
| a) Opening Balance | - | - | - |
| b) Provisions made during the year | - | - | - |
| c) Write-off/write-back of excess provisions | - | - | - |
| d) Closing balance | - | - | - |
| f) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) | | | |
| The Company did not have any overseas assets during the current and previous year. | | | |
| g) Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms) | | | |
| The Company did not sponsor any SPVs during the current and previous year. | | | |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|-----------------------------|-----------------------------|----------------------------|
| 17 Disclosure of customer complaints | | | |
| a) No. of complaints pending at the beginning of the year | - | - | - |
| b) No. of complaints received during the year | - | - | - |
| c) No. of complaints redressed during the year | - | - | - |
| d) No. of complaints pending at the end of the year | - | - | - |

Note:

(a) Amounts for the current year and comparative years included above are based on the restated financial statements prepared under Ind AS.

18 Asset liability management

Maturity pattern of assets and liability as on 31st March 2020

| Particulars | Upto 1 month | 1 - 2 months | 2 - 3 months | 3 - 6 months | 6 - 12 months | 1 - 3 years | 3 - 5 years | Over 5 years | Total |
|------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------|-------------|-----------------|-------------|
| Deposits | - | - | - | - | - | - | - | - | - |
| Advances | - | - | - | - | - | - | - | - | - |
| Investments | 2.77 | - | - | - | - | 81,839.54 | 3,918.61 | 40,269.24 | 1,26,030.16 |
| Borrowings | - | - | - | - | - | - | - | - | - |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency liabilities | - | - | - | - | - | - | - | - | - |

Maturity pattern of assets and liability as on 31st March 2019

| Particulars | Upto 1 month | 1 - 2 months | 2 - 3 months | 3 - 6 months | 6 - 12 months | 1 - 3 years | 3 - 5 years | Over 5 years | Total |
|------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------|-------------|-----------------|-------------|
| Deposits | - | - | - | - | - | - | - | - | - |
| Advances | - | - | - | - | - | - | - | - | - |
| Investments | 20.63 | - | - | - | - | 1,53,295.96 | 2,550.97 | 40,269.24 | 1,96,136.80 |
| Borrowings | - | - | - | - | - | - | - | - | - |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency liabilities | - | - | - | - | - | - | - | - | - |

Maturity pattern of assets and liability as on 1st April 2018

| Particulars | Upto 1 month | 1 - 2 months | 2 - 3 months | 3 - 6 months | 6 - 12 months | 1 - 3 years | 3 - 5 years | Over 5 years | Total |
|------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------|-------------|-----------------|-------------|
| Deposits | - | - | - | - | - | - | - | - | - |
| Advances | - | - | - | - | - | - | - | - | - |
| Investments | 2.81 | - | - | - | - | 1,68,862.92 | 2,256.80 | 40,269.24 | 2,11,391.76 |
| Borrowings | - | - | - | - | - | - | - | - | - |
| Foreign currency assets | - | - | - | - | - | - | - | - | - |
| Foreign currency liabilities | - | - | - | - | - | - | - | - | - |

Notes to standalone financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

33 Segment reporting

As per the requirement of IND AS 108 on "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the company identified as single segments i.e. holding and investing with focus on earning income through dividends, interest and gains from investments. Accordingly, there are no separate reportable segments as per IND AS.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Regn No. : 101720W/W100355

Jignesh Mehta

Partner

Membership No. 102749

Place: Mumbai

Date : 23rd June 2020

For and on behalf of Board of Directors

Summit Securities Limited

H N Singh Rajpoot

Director

(DIN: 00080836)

A.V. Nerurkar

Director

(DIN: 00045309)

Parasmal Rakhecha

Chief Financial Officer

Jiya Gangwani

Company Secretary

Rohin Bomanji

Manager

INDEPENDENT AUDITOR'S REPORT

To the Members of
SUMMIT SECURITIES LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Summit Securities Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2020, and the consolidated Statement of Profit and Loss, including consolidated Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements and on other financial information of the subsidiary companies, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its loss including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditor in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report for the year ended 31st March, 2020.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and the consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each Company included in the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statement 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- We did not audit the financial statements of the subsidiary Instant holdings limited, and step down subsidiary Sudarshan Electronics & TV Limited, whose financial statements reflect total assets of 1,60,849.88 Lakhs as at 31st March, 2020, total revenue of 5,083.93 Lakhs , total profit after tax of 4,658.05 Lakhs, total comprehensive loss of 76,311.28Lakhs and net cash inflow of 1,830.35Lakhs for the year ended 31st March, 2020, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and step down subsidiary, is based solely on the reports of such auditors and the procedure performed by us.
- The financial information of the Company for the year ended 31st March, 2019 and the transition date opening balance sheet as at April 1, 2018 included in these consolidated financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2019 and 31st March, 2018 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 15th May, 2019 and 23rd May, 2018 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion on the consolidated financial statement, and our report on other Legal and Regulatory requirements below, is not modified in respect of above matters with respect to reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial

statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group internal financial controls over financial reporting;
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the year by the Holding Company to its directors and the reports of the statutory auditors of its subsidiary companies incorporated in India, are in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended , in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 29 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2020, and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. 101720W/W100355

Jignesh Mehta
Partner

Place: Mumbai
Dated: 23rd June 2020

Membership No. 102749
UDIN: 20102749AAAAWF3029

ANNEXURE TO THE AUDITOR'S REPORT**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SUMMIT SECURITIES LIMITED**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control over financial reporting of **Summit Securities Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies incorporated in India as of 31st March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Holding and its subsidiary companies. 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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 consolidated 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 consolidated 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 consolidated 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary companies i.e. Instant Holdings Limited and step down subsidiary i.e. Sudarshan Electronics & TV Limited, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

Jignesh Mehta

Partner

Place: Mumbai

Membership No. 102749

Dated: 23rd June 2020

UDIN: 20102749AAAWF3029

Consolidated Balance Sheet as at 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Note No | As at 31 st March, 2020 | As at 31 st March, 2019 | As at 1 st April, 2018 |
|--|---------|------------------------------------|------------------------------------|-----------------------------------|
| ASSETS | | | | |
| Financial Assets | | | | |
| Cash and cash equivalents | 3 | 3,160.71 | 653.88 | 37.85 |
| Other bank balances | 4 | 38.45 | 1.09 | 3.28 |
| Loans | 5 | 0.20 | 10.38 | 4.80 |
| Investments | 6 | 2,42,714.80 | 4,01,162.78 | 4,73,311.34 |
| Other financial assets | 7 | 25.82 | 10.16 | 9.38 |
| | | 2,45,939.98 | 4,01,838.29 | 4,73,366.65 |
| Non-financial Assets | | | | |
| Current tax assets (net) | 26(b) | 77.39 | 20.26 | 45.01 |
| Property, plant and equipment | 8 | 21.37 | 1.40 | 1.60 |
| Other non-financial assets | 9 | 48.27 | 41.28 | 42.03 |
| | | 147.03 | 62.94 | 88.64 |
| Total Assets | | 2,46,087.01 | 4,01,901.23 | 4,73,455.29 |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Payables | 10 | | | |
| Other Payables | | | | |
| Total outstanding dues of micro enterprise and small enterprise | | 0.92 | - | - |
| Total outstanding dues of creditors other than micro enterprise and small enterprise | | 10.65 | 16.78 | 4.07 |
| Borrowings (other than debt securities) | 11 | - | - | 1,680.00 |
| Other financial liabilities | 12 | 201.34 | 13.78 | 1,927.36 |
| | | 212.91 | 30.56 | 3,611.43 |
| Non-Financial Liabilities | | | | |
| Current tax liabilities (net) | 26(b) | - | - | 3.88 |
| Provisions | 13 | 35.48 | 22.98 | 36.02 |
| Deferred tax liabilities (net) | 14 | 15,501.60 | 34,295.73 | 42,392.36 |
| Other non-financial liabilities | 15 | 340.23 | 338.69 | 344.78 |
| | | 15,877.31 | 34,657.40 | 42,777.04 |
| Equity | | | | |
| Equity share capital | 16 | 1,090.18 | 1,090.18 | 1,090.18 |
| Other equity | 17 | 2,28,906.61 | 3,66,123.09 | 4,25,976.64 |
| Total equity attributable to the owners | | 2,29,996.79 | 3,67,213.27 | 4,27,066.82 |
| Total Liabilities and Equity | | 2,46,087.01 | 4,01,901.23 | 4,73,455.29 |

See accompanying notes to the financial statements 1 to 37

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Regn No. : 101720W/W100355

For and on behalf of Board of Directors
Summit Securities Limited

H N Singh Rajpoot
Director
(DIN: 00080836)

A.V. Nerurkar
Director
(DIN: 00045309)

Jignesh Mehta
Partner
Membership No. 102749

Parasmal Rakhecha
Chief Financial Officer

Jiya Gangwani
Company Secretary

Place: Mumbai
Date : 23rd June 2020

Rohin Bomanji
Manager

Statement of Consolidated Profit and Loss for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Note No | Year ended 31 st March 2020 | Year ended 31 st March 2019 |
|---|---------|---|---|
| Revenue from operations | | | |
| Interest income | 18 | 58.02 | 43.16 |
| Dividend income | 19 | 8,130.43 | 3,691.13 |
| Net gain on fair value changes | 20a | - | 88.62 |
| | | 8,188.45 | 3,822.91 |
| Other income | 21 | 2.39 | 16.84 |
| Total Income | | 8,190.84 | 3,839.75 |
| Expenses | | | |
| Finance costs | 22 | - | 1.58 |
| Net loss on fair value changes | 20b | 809.98 | - |
| Employee benefits expense | 23 | 142.35 | 117.80 |
| Depreciation, amortisation and impairment | 24 | 0.85 | 1.87 |
| Other expenses | 25 | 201.81 | 204.42 |
| Total Expenses | | 1,154.99 | 325.67 |
| Profit before tax | | 7,035.85 | 3,514.08 |
| Tax Expense: | 26 | | |
| Current tax | | 30.82 | 236.50 |
| Short/(Excess) Provision of Tax For Earlier Years | | 0.35 | (2.61) |
| Deferred tax (including Mat credit) | | (200.13) | (166.69) |
| Total tax expense | | (168.96) | 67.20 |
| Profit for the year | | 7,204.81 | 3,446.88 |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| - Fair valuation of equity instruments through other comprehensive income | | (1,63,020.15) | (71,241.41) |
| - Remeasurement benefit of defined benefit plans | | (12.63) | 11.05 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (18,611.50) | (7,929.94) |
| Total other comprehensive income | | (1,44,421.28) | (63,300.42) |
| Total comprehensive income for the year | | (1,37,216.47) | (59,853.54) |
| Profit for the year attributable to : | | | |
| -Owners of the Company | | 7,204.81 | 3,446.88 |
| -Non Controlling Interest | | - | - |
| | | 7,204.81 | 3,446.88 |
| Other Comprehensive income for the year attributable to : | | | |
| -Owners of the Company | | (1,44,421.28) | (63,300.42) |
| -Non Controlling Interest | | - | - |
| | | (1,44,421.28) | (63,300.42) |
| Total Comprehensive income for the year attributable to : | | | |
| -Owners of the Company | | (1,37,216.47) | (59,853.54) |
| -Non Controlling Interest | | - | - |
| | | (1,37,216.47) | (59,853.54) |
| Earnings per equity share (Face Value 10 each) | | | |
| Basic (₹) | 27 | 66.09 | 31.62 |
| Diluted (₹) | | 66.09 | 31.62 |

See accompanying notes to the financial statements

1 to 37

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Regn No. : 101720W/W100355

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date : 23rd June 2020

For and on behalf of Board of Directors
Summit Securities Limited

H N Singh Rajpoot
Director
(DIN: 00080836)

A.V. Nerurkar
Director
(DIN: 00045309)

Parasmal Rakhecha
Chief Financial Officer

Jiya Gangwani
Company Secretary

Rohin Bomanji
Manager

Consolidated Cash flow statement for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Year ended 31 st March 2020 | Year ended 31 st March 2019 |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 7,035.85 | 3,514.08 |
| Adjustment for : | | |
| Net (gain)/loss on fair value changes | 809.98 | (88.62) |
| Depreciation, amortisation and impairment | 0.85 | 1.87 |
| Operating profit before working capital changes | 7,846.68 | 3,427.33 |
| Adjustments for changes in working capital | | |
| (Increase)/Decrease in loans | 10.18 | (5.58) |
| (Increase)/Decrease in other financial assets | (15.66) | (0.79) |
| (Increase)/Decrease in other non-financial assets | (7.00) | 0.76 |
| Increase / (Decrease) in other financial liabilities | 187.56 | (1,913.59) |
| Increase / (Decrease) in provision | 12.50 | (13.05) |
| Increase / (Decrease) in borrowings | - | (1,680.00) |
| Increase / (Decrease) in other non financial liabilities | 1.54 | (6.08) |
| Cash generated from operating activities | 8,035.81 | (191.00) |
| Income tax paid (net of refunds) | (70.26) | (213.03) |
| Net cash generated from operating activities (A) | 7,965.55 | (404.03) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipments | (20.82) | (1.67) |
| Purchase of investments | (6,539.95) | (8,341.63) |
| Sale of investments | 1,139.42 | 9,361.17 |
| Net cash generated from investing activities (B) | (5,421.35) | 1,017.87 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net cash (used in) financing activities (C) | - | - |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 2,544.19 | 613.84 |
| Cash and cash equivalents as at beginning of the year | 654.97 | 41.13 |
| Cash and cash equivalents as at end of the year | 3,199.16 | 654.97 |

Notes:

(i) The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".

(ii) Cash and cash equivalents comprises of:

| | | |
|--|-----------------|---------------|
| Cash on hand | 0.57 | 0.19 |
| Balances with banks | | |
| - In current accounts | 1,159.16 | 25.69 |
| - In deposit accounts (with maturity less than 3 months) | 2,000.97 | 628.00 |
| | 3,160.71 | 653.88 |
| Add: Other bank balances | 38.45 | 1.09 |
| | 3,199.16 | 654.97 |

As per our report of even date**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm's Regn No. : 101720W/W100355

Jignesh Mehta

Partner

Membership No. 102749

Place: Mumbai

Date : 23rd June 2020

For and on behalf of Board of Directors

Summit Securities Limited**H N Singh Rajpoot**

Director

(DIN: 00080836)

A.V. Nerurkar

Director

(DIN: 00045309)

Parasmal Rakhecha

Chief Financial Officer

Jiya Gangwani

Company Secretary

Rohin Bomanji

Manager

Statement of Consolidated Changes in Equity for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| A. Equity Share Capital | As at | | As at | | As at | | |
|---|-----------------------------|-----------------------------|-----------------------------|----------------------------|-------------------|--------------------------------------|--------------------|
| | 31 st March 2018 | 31 st March 2018 | 31 st March 2018 | 1 st April 2018 | | | |
| Balance at the beginning of the reporting year | 1,090.18 | 1,090.18 | 1,090.18 | 1,090.18 | 1,090.18 | | |
| Changes in equity share capital during the year | - | - | - | - | - | | |
| Balance at the end of the reporting year | 1,090.18 | 1,090.18 | 1,090.18 | 1,090.18 | 1,090.18 | | |
| B. Other Equity | | | | | | | |
| Particulars | Reserves and Surplus | | | Other comprehensive income | | | |
| | General Reserve | Statutory Reserves | Capital Redemption Reserve | Capital Reserve | Retained Earnings | Fair valuation of equity instruments | Total |
| Balance as at 1st April 2018 | 36,710.33 | 6,697.56 | 1.00 | 1,809.07 | 18,955.18 | 3,61,803.50 | 4,25,976.64 |
| Profit for the year | - | - | - | - | 3,446.88 | - | 3,446.88 |
| Transferred to statutory reserves | - | 707.29 | - | - | (707.29) | - | - |
| Other comprehensive income (Net) | - | - | - | - | 89.74 | (63,390.17) | (63,300.42) |
| Balance as at 31st March 2019 | 36,710.33 | 7,404.85 | 1.00 | 1,809.07 | 21,784.51 | 2,98,413.33 | 3,66,123.09 |
| Profit for the year | - | - | 7,204.81 | - | 7,204.81 | - | 2,546.74 |
| Transferred to statutory reserves | - | 1,439.81 | (1,439.81) | - | - | - | - |
| Other comprehensive income (Net) | - | - | - | - | 0.50 | (1,44,421.78) | (1,44,421.28) |
| Balance as at 31st March 2020 | 36,710.33 | 8,844.66 | 1.00 | 1,809.07 | 27,550.02 | 1,53,991.53 | 2,28,906.61 |

See accompanying notes to the financial statements 1 to 37

As per our report of even date
For Chaturvedi & Shah LLP
 Chartered Accountants
 Firm's Regn No. : 101720W/W100355

Jignesh Mehta
 Partner
 Membership No. 102749

Place: Mumbai
 Date : 23rd June 2020

For and on behalf of Board of Directors
Summit Securities Limited

H N Singh Rajpoot
 Director
 (DIN: 00080836)

Parasmal Rakhecha
 Chief Financial Officer

Rohin Bomanji
 Manager

A.V. Nerurkar
 Director
 (DIN: 00045309)

Jiya Gangwani
 Company Secretary

Consolidated Notes on Financial Statements for the year ended 31st March 2020

1. Summit Securities Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is listed on Bombay Stock Exchange & National Stock Exchange. The Company is a non-deposit taking Systemically Important Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("the RBI") and is engaged in the business of providing loans and making investments in shares and securities.

The audited consolidated financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 23rd June 2020, Board of Directors of the Company approved and recommended the audited consolidated financial statements for consideration and adoption by the shareholders in its annual general meeting.

Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Group uses accrual basis of accounting except in case of significant uncertainties.

The financial statements up to year ended 31st March 2019 were prepared in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended, along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI (Indian GAAP or previous GAAP).

These financial statements for the year ended 31st March 2020 are the first financial statements of the Group under Ind AS. Refer note 34 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in INR, which is also the Groups' functional currency and all values

are rounded to the nearest Lakhs (INR 000,00), except when otherwise indicated.

2. Summary of significant accounting policies followed by the Group

(A) Use of Significant judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required

Consolidated Notes on Financial Statements for the year ended 31st March 2020

in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business. When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group considers several factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

(B) Basis of Consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation Procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial

statements at the acquisition date.

- b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.
- c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.
- e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
- f) Carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.
- g) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

(C) Revenue recognition

Interest income (Effective interest rate method)

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying

Consolidated Notes on Financial Statements for the year ended 31st March 2020

amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges). If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked 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 amortised through interest income in the statement of profit and loss.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets net of upfront processing fees. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis. For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

Dividend income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

(D) Financial instruments

Point of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular

way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans are recognised when funds are transferred to the customers' account. The Group recognises debt securities, deposits and borrowings when funds reach the Group.

Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as per the principles of the Ind AS. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts mentioned below:

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Subsequent measurement of financial assets

For subsequent measurement, the Group classifies a financial asset in accordance with the below criterion

- i. The Group's business model for managing the financial asset; and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

- (a) Financial assets measured at amortized cost
- (b) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets measured at fair value through profit or loss (FVTPL)

(a) Financial assets measured at amortized cost:

A Financial asset is measured at the amortized cost if both the following conditions are met:

- (i) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual

Consolidated Notes on Financial Statements for the year ended 31st March 2020

cash flows; and

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

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

(b) Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- (i) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt and equity instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of profit and loss under 'Other Comprehensive Income (OCI)'. However, the Group recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss. On de-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss, except for instruments which the Group has irrevocably elected to be classified as equity through OCI at initial recognition, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and they are not held

for trading. The Group has made such election on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in the statement of profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

(c) Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Financial assets or financial liabilities held for trading:

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

De-recognition:

(a) Financial asset:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks

Consolidated Notes on Financial Statements for the year ended 31st March 2020

and rewards of ownership of the financial asset. A regular way purchase or sale of financial assets has been derecognised, as applicable, using trade date accounting.

- iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On de-recognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

(b) Financial liability:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets:

"In accordance with Ind AS 109, the Group applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate,

with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets:

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(E) Fair Value

The Group measures its financial instruments

Consolidated Notes on Financial Statements for the year ended 31st March 2020

at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 input) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 (unadjusted) - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- Level 3 - Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(F) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary

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difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. 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 the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Group has not recognised a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

- the parent, investor, joint venture or joint operator is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends

either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period. Further, the MAT credit is not set-off against the deferred tax liabilities, since the Group does not have a legally enforceable right to set-off.

(G) Provisions and contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(H) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

(I) Employee Benefits

Short-term employee benefits

All employee benefits payable wholly within

Consolidated Notes on Financial Statements for the year ended 31st March 2020

twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-employment benefits

(i) Defined contribution plans

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees.

Recognition and measurement of defined contribution plans:

The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(ii) Defined benefits plans

Gratuity scheme:

Gratuity is a post-employment benefit and is a defined benefit plan. The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if any. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

Recognition and measurement of defined benefit plans

All expenses represented by current

service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Group does not present the above liability/(asset) as current and non-current in the Balance Sheet as per the principles of Division III financial statements as per the MCA notification dated 11 October 2018.

(J) Lease accounting

The Group, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

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

(K) Borrowing Cost

Borrowing cost includes interest, amortization

Consolidated Notes on Financial Statements for the year ended 31st March 2020

of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(L) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(M) Property, plant & equipment

Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work-in-progress and capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition

of fixed assets outstanding at each balance sheet date are disclosed as other non-financial assets.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the written down value method based on the useful life of the asset as prescribed in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the underlying lease term on a straight-line basis.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(N) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine

Consolidated Notes on Financial Statements for the year ended 31st March 2020

whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the

reversal is treated as a revaluation increase.

(O) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31 st March 2020 | As at 31 st March 2019 | As at 1 st April 2018 |
|--|---|---|--|
| 3 Cash and cash equivalents | | | |
| Cash on hand | 0.57 | 0.19 | 0.15 |
| Balances with banks in current account | 1,159.16 | 25.69 | 17.70 |
| Bank deposit with remaining maturity of less than 3 months | 2,000.97 | 628.00 | 20.00 |
| | 3,160.71 | 653.88 | 37.85 |
| 4 Other bank balances | | | |
| Balances with banks in current account (*) | 38.45 | 1.09 | 3.28 |
| Fractional entitlement money | - | - | 12.67 |
| Less : Fractional entitlement money (#) | - | - | (12.67) |
| | 38.45 | 1.09 | 3.28 |
| Consists of balances in bank accounts maintained by portfolio managers. | | | |
| Fractional entitlement money represent dues payable to the shareholders who are entitled for fractional entitlement as per the scheme of arrangement as approved by the Hon'ble high court of judicature at Bombay, Maharashtra on December 18,2009 and during the previous year, same has been transferred to Investor Education and protection fund. | | | |
| 5 Loans | | | |
| (at amortised cost) | | | |
| Security Deposit | | | |
| Unsecured, considered good | | | |
| Deposit | 0.20 | 10.38 | 4.80 |
| | 0.20 | 10.38 | 4.80 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

6 Investments

| | As at 31st March 2020 | | | As at 31st March 2019 | | | As at 1st April 2018 | | | | | |
|--|-----------------------|------------------------------------|-------------------------|-----------------------|------------------------------------|-------------------------|----------------------|------------------------------------|-------------------------|--------------------|-----------------|--------------------|
| | Cost | At fair value | | Cost | At fair value | | Cost | At fair value | | | | |
| | | Through other comprehensive income | Through profit and loss | | Through other comprehensive income | Through profit and loss | | Through other comprehensive income | Through profit and loss | | | |
| Mutual funds (unquoted) | - | - | 3,930.80 | 3,930.80 | - | - | 1,679.79 | 1,679.79 | - | - | 1,549.97 | 1,549.97 |
| Equity instruments | | | | | | | | | | | | |
| - Others (quoted) | - | 2,33,679.06 | - | 2,33,679.06 | - | 3,94,957.22 | - | 3,94,957.22 | - | 4,67,232.26 | - | 4,67,232.26 |
| - Others (unquoted) | - | 3,793.60 | - | 3,793.60 | - | 3,656.09 | - | 3,656.09 | - | 3,656.09 | - | 3,656.09 |
| Preference instruments: | | | | | | | | | | | | |
| - Others (unquoted) | - | - | 97.35 | 97.35 | - | 97.35 | 97.35 | 97.35 | - | - | 97.35 | 97.35 |
| Investments through Portfolio Management Services ("PMS"): | | | | | | | | | | | | |
| - Equity instruments (quoted) | - | - | 807.49 | 807.49 | - | 717.52 | 717.52 | 717.52 | - | - | 757.26 | 757.26 |
| - Mutual funds (unquoted) | - | - | - | - | - | 30.28 | 30.28 | 30.28 | - | - | 10.12 | 10.12 |
| - Others | 2.77 | - | - | 2.77 | 20.63 | - | 20.63 | 20.63 | 2.81 | - | - | 2.81 |
| Investment in LLP | - | - | - | - | 3.89 | - | 3.89 | 3.89 | 5.47 | - | - | 5.47 |
| Venture Capital Fund (unquoted) | - | - | 403.73 | 403.73 | - | - | - | - | - | - | - | - |
| | 2.77 | 2,37,472.67 | 5,239.37 | 2,42,714.80 | 24.52 | 3,98,613.32 | 2,524.94 | 4,01,162.78 | 8.28 | 4,70,888.36 | 2,414.70 | 4,73,311.34 |

| | Face value | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|--|------------|-----------------------|--------|-----------------------|--------|----------------------|--------|
| | | Number | Amount | Number | Amount | Number | Amount |
| (a) Investment in mutual funds | | | | | | | |
| (measured at Fair Value through PL) | | | | | | | |
| Aditya Birla Sunlife Corporate Bond Fund (formerly known as Birla Sunlife Short Term Fund) - DP - G* | | 2,36,552.02 | 186.60 | 2,36,552.02 | 170.71 | 2,36,552.02 | 158.07 |
| Aditya Birla Sunlife Medium Term Plan - Growth Regular Plan | | - | - | 15,49,387.29 | 353.09 | 15,49,387.29 | 340.52 |
| Axis Bluechip Fund DP - G* | | 3,20,410.13 | 90.68 | - | - | - | - |
| Axis Banking & PSU Debt Fund - DP - G* | | 10,853.20 | 210.66 | - | - | - | - |
| Axis Dynamic Bond Fund - DP - G* | | 5,90,125.83 | 135.44 | - | - | - | - |
| DSP Mid cap Fund - DP - G* | | 2,63,569.43 | 123.84 | - | - | - | - |
| Edelweiss Alternate Equity Scheme : Class A | | 6,08,743.70 | 124.21 | 6,30,458.48 | 132.39 | 6,31,468.98 | 129.73 |
| Franklinn India Prima Plus - DP - G* | | - | - | - | - | 18,478.30 | 109.40 |
| HDFC Small Cap Fund - DP - G* | | 4,24,583.38 | 119.35 | 4,24,583.38 | 202.81 | - | - |
| ICICI Prudential Bluechip Fund - DP - G* | | 9,37,210.83 | 316.87 | - | - | - | - |
| ICICI Prudential Liquid Fund - DP - G* | | 74,623.39 | 219.23 | 74,623.39 | 206.27 | - | - |
| ICICI Prudential Banking & PSU Fund - DP - G* | | 5,77,894.38 | 136.64 | 5,77,894.38 | 124.62 | 5,77,894.38 | 116.84 |
| ICICI Prudential Multi Assets Fund - DP - G* | | 3,883.44 | 8.19 | 3,883.44 | 10.41 | - | - |
| ICICI Prudential Value Discovery Fund - DP - G* | | 6,606.77 | 6.98 | 6,606.77 | 9.67 | - | - |
| IDFC Banking & PSU Debt Fund - DP - G* | | 11,80,735.13 | 212.11 | - | - | - | - |
| IDFC Corporate Bond Fund DP - G* | | 4,71,120.32 | 65.78 | 4,71,120.32 | 60.59 | 6,74,280.75 | 80.71 |
| Invesco India Opp. Fund - DP - G* | | 5,45,404.96 | 163.29 | - | - | - | - |
| Kotak Corporate Bond Fund DP - G* | | - | - | 4,865.12 | 122.96 | 4,865.12 | 113.26 |
| Kotak Emerging Equity Fund - DP - G* | | 3,67,755.22 | 118.11 | - | - | - | - |
| L&T Banking and PSU Debt Fund DP - G* | | 19,23,783.76 | 357.17 | - | - | - | - |
| Mirae Assets Large Cap Fund - DP - G* | | 6,01,058.81 | 249.15 | - | - | - | - |
| Motilal Oswal Nasdaq 100 Fund DP - G* | | 7,65,058.26 | 97.89 | - | - | - | - |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Face value | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|--|--------------|-----------------------|--------------|-----------------------|--------------|----------------------|--------|
| | | Number | Amount | Number | Amount | Number | Amount |
| Reliance ETF | - | - | - | - | 0.01 | - | - |
| Reliance Short Term Fund DP - G* | 2,33,843.11 | 92.46 | 2,33,843.11 | 84.36 | 2,33,843.11 | 78.77 | |
| SBI Blue Chip Fund- DP - G* | - | - | - | - | 16,69,099.68 | 422.68 | |
| UTI Nifty Index Fund - DP - G* | 10,30,463.24 | 586.50 | - | - | - | - | |
| UTI Nifty Next 50 Index Fund - DP - G* | 40,60,620.86 | 309.65 | 19,99,700.05 | 201.92 | - | - | |
| | | 3,930.80 | | 1,679.79 | | 1,549.97 | |

* DP - G* - Direct Plan Growth.

(b) Investment in equity instruments

Others, unquoted

(Non-trade, measured at Fair Value Through OCI)

| | | | | | | | |
|---|----|-------------|-----------------|-------------|-----------------|-------------|-----------------|
| Bombay Mercantile Co-op Bank Limited | 30 | 1,666 | 0.50 | 1,666 | 0.50 | 1,666 | 0.50 |
| CFL Capital Financial Services Limited | 10 | 2,46,00,921 | - | 2,46,00,921 | - | 2,46,00,921 | - |
| Rado Tyres Limited | 10 | 27,45,310 | - | 27,45,310 | - | 27,45,310 | - |
| Spencer & Co. Limited (paid up value ₹ 9 per share) (Refer Note 36) | 10 | 44,64,576 | 3,793.10 | 44,64,576 | 3,655.59 | 44,64,576 | 3,655.59 |
| | | | 3,793.60 | | 3,656.09 | | 3,656.09 |

Quoted

(measured at Fair Value Through OCI)

| | | | | | | | |
|---|----|-------------|-------------|-------------|-------------|-------------|-------------|
| ABB India Limited | 2 | - | - | 5 | 0.07 | 5 | 0.06 |
| Apar Industries Limited | 10 | - | - | 1 | 0.01 | 1 | 0.01 |
| Bajaj Electricals Limited | 2 | - | - | 10 | 0.06 | 10 | 0.06 |
| Bharat Heavy Electricals Limited | 2 | - | - | 15 | 0.01 | 15 | 0.01 |
| CEAT Limited (Refer Note 36) | 10 | 1,28,34,755 | 1,01,713.86 | 1,28,30,893 | 1,43,737.29 | 1,24,69,938 | 1,87,791.04 |
| CG Power & Industrial Solution Limited. | 2 | 12 | 0.00 | 12 | 0.01 | 12 | 0.01 |
| Crompton Greaves Consumer Electricals Limited | 2 | - | - | 12 | 0.03 | 12 | 0.03 |
| FGP Limited | 10 | 17,13,898 | 27.94 | 17,13,898 | 50.90 | 17,13,898 | 17.14 |
| Gammon India Limited | 2 | 1 | 0.00 | 1 | 0.00 | 1 | 0.00 |
| GE T&D India Limited | 2 | - | - | 5 | 0.01 | 5 | 0.02 |
| Harrisons Malayalam Limited | 10 | 360 | 0.19 | 360 | 0.25 | 728,360 | 535.71 |
| Hindustan Oil Exploration Company Limited | 10 | 200 | 0.07 | 200 | 0.26 | 200 | 0.22 |
| Hindustan Constructions Company Limited | 1 | - | - | 20 | 0.00 | 20 | 0.00 |
| IVRCL Limited | 2 | - | - | 10 | 0.00 | 10 | 0.00 |
| JMC Projects (India) Limited | 10 | - | - | 5 | 0.01 | 1 | 0.01 |
| Jyoti Structures Limited | 2 | 5 | 0.00 | 5 | 0.00 | 5 | 0.00 |
| Kalpataru Power Transmission Limited | 2 | - | - | 10 | 0.05 | 10 | 0.05 |
| KEC International Limited | 2 | 4,99,25,514 | 92,611.83 | 4,95,58,446 | 1,48,509.58 | 4,87,95,951 | 1,90,348.74 |
| Larsen & Toubro Limited | 2 | - | - | 9 | 0.12 | 9 | 0.12 |
| NCC Limited | 2 | - | - | 2 | 0.00 | 2 | 0.00 |
| Reliance Industries Limited | 10 | 1 | 0.01 | - | - | - | - |
| Reliance Infrastructure Limited | 10 | - | - | 1 | 0.00 | 1 | 0.00 |
| RPG Life Sciences Limited | 8 | 996 | 1.70 | 996 | 2.47 | 20,76,996 | 7,929.97 |
| Schneider Electric Infrastructure Limited | 2 | - | - | 5 | 0.01 | 5 | 0.01 |

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(All amounts in ₹ Lakhs, unless otherwise stated)

| | Face value | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|--|------------|-----------------------|--------------------|-----------------------|--------------------|----------------------|--------------------|
| | | Number | Amount | Number | Amount | Number | Amount |
| Siemens Limited | 2 | - | - | 10 | 0.11 | 10 | 0.11 |
| Simplex Infrastructure Limited | 2 | - | - | 5 | 0.01 | 5 | 0.03 |
| State Bank of India | 1 | 2 | 0.00 | - | - | - | - |
| STEL Holdings Limited | 10 | 24,83,701 | 957.10 | 24,83,701 | 2,479.78 | 24,83,701 | 2,459.73 |
| The Tata Power Company Limited | 1 | - | - | 10 | 0.01 | 10 | 0.01 |
| Techno Electric & Engineering Company Limited | 2 | - | - | 10 | 0.03 | 10 | 0.04 |
| Zensar Technologies Limited | 2 | 4,40,23,806 | 38,366.36 | 4,33,69,670 | 100,176.16 | 84,49,934 | 78,149.15 |
| | | | <u>2,33,679.06</u> | | <u>3,94,957.22</u> | | <u>4,67,232.26</u> |
| (c) Investment in preference shares | | | | | | | |
| Quoted | | | | | | | |
| (measured at Fair Value through PL) | | | | | | | |
| 16.46 % Non Convertible Pref. Share ILFS | 7,500 | 660 | 97.35 | 660 | 97.35 | 660 | 97.35 |
| | | | <u>97.35</u> | | <u>97.35</u> | | <u>97.35</u> |
| (d) Investments through portfolio managers: | | | | | | | |
| (measured at Fair Value through PL) | | | | | | | |
| Equity instruments, quoted | | | | | | | |
| ACC Limited | 10 | 790 | 7.65 | - | - | - | - |
| Aegis Logistics Limited | 1 | 5,730 | 7.99 | 1,319 | 2.68 | 1,319 | 3.42 |
| Alkem Laboratories Limited | 2 | 634 | 14.75 | 144 | 2.52 | 144 | 2.86 |
| Amber Enterprises India Limited | 10 | - | - | 1,356 | 11.07 | - | - |
| Ambuja Cements Limited | 2 | 5,805 | 9.04 | - | - | - | - |
| Ashoka Buildcon Limited | 10 | - | - | - | - | 3,451 | 8.57 |
| Asta Microwave Products Limited | 2 | 10,053 | 5.22 | - | - | - | - |
| Axis Bank Limited | 2 | 2,404 | 9.11 | - | - | 2,457 | 12.54 |
| Bajaj Finance Limited. | 2 | 344 | 7.62 | 206 | 6.23 | 509 | 9.00 |
| Bayer Cropscience Limited | 10 | 221 | 7.64 | 46 | 2.03 | 46 | 1.95 |
| Bharat Forge Limited | 2 | 3,351 | 7.87 | 1,862 | 9.54 | 668 | 4.67 |
| Bharti Airtel Limited | 5 | 1,427 | 6.29 | 4,155 | 13.84 | 4,155 | 16.57 |
| Bharti Infratel limited | 10 | - | - | 3,317 | 10.40 | 3,317 | 11.15 |
| Bosch Limited. | 10 | 120 | 11.27 | 28 | 5.09 | 28 | 5.04 |
| Chambal Fertilizer & Chemical Limited | 10 | 4,653 | 5.05 | - | - | - | - |
| Container Corporation of India | 5 | 4,676 | 15.51 | 527 | 2.77 | 1,299 | 16.17 |
| Coal India Limited | 10 | - | - | - | - | 9,000 | 25.50 |
| Colgate Palmolive India Limited | 1 | 3,635 | 45.54 | 1,962 | 24.68 | 241 | 2.55 |
| City Union Bank Limited. | 1 | 13,000 | 16.78 | 3,232 | 6.62 | 3,147 | 5.43 |
| Cummins India Limited. | 2 | 1,689 | 5.52 | 389 | 2.90 | 389 | 2.72 |
| DCB Bank Limited | 10 | - | - | 16,958 | 34.71 | 19,875 | 32.11 |
| Eicher Motors Limited. | 10 | 120 | 15.72 | 24 | 4.93 | 27 | 7.66 |
| Emami Limited | 1 | 3,164 | 5.38 | 718 | 2.87 | 359 | 3.84 |
| Engineers India Limited | 5 | 3,512 | 2.11 | 7,922 | 9.29 | 856 | 1.36 |
| Exide Industries Limited | 1 | 12,550 | 16.52 | 12,550 | 27.45 | 12,550 | 27.97 |
| Federal Bank Limited | 2 | 14,097 | 5.79 | 3,132 | 3.02 | 3,132 | 2.79 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020*(All amounts in ₹ Lakhs, unless otherwise stated)*

| | Face value | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|--|------------|-----------------------|--------|-----------------------|--------|----------------------|--------|
| | | Number | Amount | Number | Amount | Number | Amount |
| Gateway Distriparks Limited | 10 | - | - | 2,679 | 3.59 | 2,679 | 4.68 |
| Glaxosmithkline Consumer Healthcare Limited. | 10 | 198 | 19.75 | 42 | 3.04 | 42 | 2.56 |
| Gujarat Pipavav Port Limited | 10 | 9,822 | 5.92 | 9,822 | 9.77 | 9,822 | 14.28 |
| Godrej Industries Limited | 1 | 9,550 | 27.04 | 6,640 | 35.62 | 6,640 | 36.51 |
| HDFC Bank Limited | 1 | 643 | 5.54 | - | - | - | - |
| Hindalco Industries Limited | 1 | 3,849 | 3.68 | 1,599 | 3.29 | - | - |
| Hindustan Petroleum Corporation Limited. | 10 | 5,556 | 10.56 | 1,227 | 3.48 | 1,227 | 4.23 |
| Ipca Lab Limited. | 2 | 1,786 | 24.87 | 395 | 3.88 | 395 | 2.59 |
| ICICI Bank Limited | 2 | 18,464 | 59.78 | 12,647 | 50.65 | 17,396 | 48.42 |
| Interglobe Aviation Limited | 10 | - | - | - | - | 2,225 | 28.71 |
| ITC Limited | 1 | - | - | 12,501 | 37.16 | 10,725 | 27.40 |
| JK Lakshmi Cement Limited | 5 | 1,524 | 2.99 | 1,460 | 5.07 | 3,124 | 14.41 |
| JMC Projects India Limited | 2 | - | - | - | - | 3,792 | 20.88 |
| JSW Energy Limited | 10 | 17,579 | 7.51 | 5,696 | 4.14 | - | - |
| J&K Bank Limited | 1 | 8,196 | 1.02 | 1,815 | .97 | 1,815 | 1.10 |
| Kotak Mahindra Bank Limited | 5 | 4,564 | 59.15 | 1,023 | 13.65 | 1,106 | 11.59 |
| KNR Constructions Limited | 2 | 4,152 | 8.16 | 4,152 | 10.85 | 5,022 | 14.26 |
| Larsen & Toubro Limited | 2 | 4,312 | 34.86 | 3,550 | 49.18 | 3,550 | 46.54 |
| L&T Technology Services Limited | 2 | 1,508 | 17.51 | 341 | 5.36 | 341 | 4.21 |
| Mahanagar Gas Limited | 10 | 3,982 | 32.59 | 3,982 | 42.01 | 3,982 | 38.15 |
| Max Financial Services Limited | 2 | 9,024 | 34.71 | 5,371 | 23.37 | 5,371 | 24.35 |
| NTPC Limited | 10 | 14,694 | 12.37 | 12,870 | 17.34 | 7,513 | 12.75 |
| Orient Cement Limited | 1 | - | - | 2,231 | 1.76 | 6,359 | 8.86 |
| Page Industries Limited. | 10 | 201 | 34.10 | 42 | 10.49 | 45 | 10.21 |
| Phoenix Mills Limited | 2 | - | - | 1,198 | 7.88 | - | - |
| PNC Infratech Limited | 2 | - | - | 7,275 | 11.15 | 7,275 | 12.76 |
| Power Grid Corporation of India Limited | 10 | - | - | 4,624 | 9.15 | 5,899 | 11.40 |
| Shree Cement Limited | 10 | - | - | 14 | 2.61 | - | - |
| SRF Limited | 2 | 290 | 8.07 | - | - | - | - |
| Sunpharmaceuticals Industries Limited | 2 | 7,117 | 25.07 | 3,196 | 15.30 | - | - |
| SJVN Limited | 10 | - | - | 22,937 | 5.55 | - | - |
| Sundaram Finance Limited | 10 | 436 | 5.25 | - | - | - | - |
| Tata Metaliks Limited | 10 | 1,516 | 5.03 | 1,043 | 6.78 | 1,043 | 7.75 |
| Tata Power Co Limited | 1 | 21,899 | 7.19 | 18,304 | 13.51 | 22,624 | 17.87 |
| Tata Steel Limited | 10 | 616 | 1.66 | - | - | - | - |
| Tech Mahindra Limited | 1 | 2,656 | 15.02 | 574 | 4.45 | - | - |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Face value | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|---|------------|-----------------------|--------------------|-----------------------|------------------------------|------------------------------|-----------------------------|
| | | Number | Amount | Number | Amount | Number | Amount |
| TD Power Systems Limited | 10 | 3,611 | 3.06 | 3,611 | 4.33 | 3,611 | 6.86 |
| Thermax Limited | 2 | 555 | 4.11 | - | - | - | - |
| Titan Company Limited | 1 | 2,068 | 19.31 | 3,743 | 42.74 | 6,080 | 57.29 |
| Vedanta Limited | 1 | - | - | 4,572 | 8.43 | - | - |
| Voltamp transformers Limited | 10 | 422 | 3.71 | 422 | 4.84 | - | - |
| Voltas Limited | 1 | 14,607 | 69.66 | 7,967 | 50.15 | 7,967 | 49.47 |
| VRL Logistics Limited | 10 | 3,555 | 5.49 | 3,930 | 11.13 | 3,449 | 13.28 |
| VST Tillers Tractors Limited | 10 | 166 | 1.11 | 166 | 2.18 | - | - |
| Wheels India Limited | 10 | 982 | 3.30 | - | - | - | - |
| | | | <u>807.49</u> | | <u>717.52</u> | | <u>757.26</u> |
| Mutual funds, unquoted | | | | | | | |
| ICICI Prudential Overnight Fund Direct daily Dividend | | - | - | 2.54 | .00 | - | - |
| Koatk Money Market Scheme - Direct Plan (DR) | | - | - | - | - | 1,000 | 10.12 |
| Kotak Liquid Direct Plan - Growth | | - | - | 800.07 | 30.28 | - | - |
| | | | - | | <u>30.28</u> | | <u>10.12</u> |
| Other # | | | 2.77 | | 20.63 | | 2.81 |
| (measured at cost) | | | <u>2.77</u> | | <u>20.63</u> | | <u>2.81</u> |
| # Consists of balances in bank accounts maintained by portfolio managers. | | | | | | | |
| (e) Investments in LLP | | | | | | | |
| (measured at cost) | | | | | | | |
| Chattarpati Apartments LLP | | | - | | 3.89 | | 5.47 |
| | | | - | | <u>3.89</u> | | <u>5.47</u> |
| (f) Investments through Venture Capital Fund | | | | | | | |
| (measured at Fair Value through PL) | | | | | | | |
| Trifecta Venture Debt Fund | 100 | 403,725 | 403.73 | | - | | - |
| | | | <u>403.73</u> | | - | | - |
| | | | <u>2,42,714.80</u> | | <u>4,01,162.78</u> | | <u>4,73,311.34</u> |
| Out of above, | | | | | | | |
| In India | | | 2,42,714.80 | | 4,01,162.78 | | 4,73,311.34 |
| Outside India | | | - | | - | | - |
| | | | | | <u>As at 31st March 2020</u> | <u>As at 31st March 2019</u> | <u>As at 1st April 2018</u> |
| 7 Other financial assets | | | | | | | |
| Interest Receivable | | | | | 4.73 | 4.76 | 0.00 |
| Other receivables | | | | | 20.99 | 5.40 | 9.24 |
| Receivable Share of profit from LLP | | | | | 0.09 | - | - |
| Advances | | | | | 0.01 | 0.01 | 0.13 |
| | | | | | <u>25.82</u> | <u>10.16</u> | <u>9.38</u> |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

8 Property, plant and equipment

| | Computer | Office Equipment | Leasehold land | Total |
|---|-------------|------------------|----------------|--------------|
| Gross block | | | | |
| Balance as at 1st April 2018 (*) | 1.35 | 0.25 | - | 1.60 |
| Additions | 1.67 | - | - | 1.67 |
| Balance as at 31st March 2019 | 3.02 | 0.25 | - | 3.27 |
| Additions | 1.20 | 3.08 | 16.55 | 20.82 |
| Balance as at 31st March 2020 | 4.22 | 3.33 | 16.55 | 24.09 |
| Accumulated depreciation | | | | |
| Balance as at 1st April 2018 (*) | - | - | - | - |
| Depreciation charge for the year | 1.65 | 0.22 | - | 1.87 |
| Balance as at 31st March 2019 | 1.65 | 0.22 | - | 1.87 |
| Depreciation charge for the year | 0.84 | 0.02 | - | 0.85 |
| Balance as at 31st March 2020 | 2.48 | 0.23 | - | 2.72 |
| Carrying value | | | | |
| As at 1st April 2018 | 1.35 | 0.25 | - | 1.60 |
| As at 31st March 2019 | 1.37 | 0.03 | - | 1.40 |
| As at 31st March 2020 | 1.74 | 3.09 | 16.55 | 21.37 |

(*) For transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2018 (the transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Accordingly, the net balance of the gross block of the property, plant and equipment of ₹ 8.28 Lakhs as at the transition date, and the accumulated depreciation thereon of ₹ 6.68 Lakhs as at that date is considered as the deemed cost as at the transition date.

| | As at 31st March 2020 | As at 13 st March 2019 | As at 1st April 2018 |
|--|--------------------------|--------------------------------------|-------------------------|
| 9 Other non-financial assets | | | |
| (unsecured, considered good) | | | |
| Balances with government authorities | 39.16 | 39.16 | 39.16 |
| Security Deposit | 2.11 | 2.12 | 2.10 |
| Receivable from Employee | 7.00 | - | 0.01 |
| Advance given to vendors | - | - | 0.75 |
| | 48.27 | 41.28 | 42.03 |
| 10 Payables | | | |
| Other Payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 0.92 | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 10.65 | 16.78 | 4.07 |
| | 11.57 | 16.78 | 4.07 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|--------------------------|--------------------------|-------------------------|
| 11 Borrowings (other than debt securities) | | | |
| unsecured (measured at amortised cost) | | | |
| Loan | | | |
| -from others | - | - | 1,680.00 |
| | <u>-</u> | <u>-</u> | <u>1,680.00</u> |
| 12 Other financial liabilities | | | |
| Interest accrued on loans | - | - | 5.20 |
| Salary Payable | 0.18 | - | - |
| Advance | 190.00 | - | - |
| Dues to employees | - | 0.04 | - |
| Payable towards purchase of securities | - | - | 1,906.18 |
| Payable for Expenses | 11.16 | 13.74 | 15.98 |
| | <u>201.34</u> | <u>13.78</u> | <u>1,927.36</u> |
| 13 Provisions | | | |
| Provision for Gratuity | 27.62 | 12.57 | 21.05 |
| Provision for Compensated Absence | 7.86 | 10.24 | 14.81 |
| Provision for Standard Assets | - | 0.17 | 0.17 |
| | <u>35.48</u> | <u>22.98</u> | <u>36.02</u> |
| 14 Deferred taxes | | | |
| Deferred tax liability: | | | |
| Fair valuation on investments carried at fair value through OCI | 18,039.31 | 36,650.81 | 44,580.74 |
| Fair valuation on investments carried at fair value through PL | (138.64) | 69.95 | 56.02 |
| Total deferred tax liabilities | <u>17,900.67</u> | <u>36,720.76</u> | <u>44,636.76</u> |
| Deferred tax assets: | | | |
| Difference between written down value of property, plant and equipment as per books of accounts and Income tax Act, 1961 | (0.25) | (0.23) | (0.02) |
| Provision for employee benefits through PL | 10.02 | 7.32 | 10.23 |
| Mat Credi Entitlement | 2,389.30 | 2,417.93 | 2,234.19 |
| Total deferred tax assets | <u>2,399.07</u> | <u>2,425.02</u> | <u>2,244.40</u> |
| Deferred tax liabilities (net) | <u>15,501.60</u> | <u>34,295.73</u> | <u>42,392.36</u> |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in deferred tax liabilities for year ended 31st March 2019:

| Particulars | As at 1st April 2018 | Statement of Profit or Loss | Other comprehensive Income | As at 31st March 2019 |
|--|-------------------------|-----------------------------------|----------------------------------|-----------------------------|
| Deferred tax liabilities for taxable temporary differences on: | | | | |
| Fair valuation on investments carried at fair value through OCI | 44,580.74 | - | (7,929.94) | 36,650.81 |
| Fair valuation on investments carried at fair value through PL | 56.02 | 13.93 | - | 69.95 |
| Total | 44,636.76 | 13.93 | (7,929.94) | 36,720.76 |
| Deferred tax assets for deductible temporary differences on: | | | | |
| Difference between written down value of property, plant and equipment as per books of accounts and Income tax Act, 1961 | (0.02) | (0.21) | - | (0.23) |
| Provision for employee benefits through PL | 10.23 | (2.91) | - | 7.32 |
| Mat Credit Entitlement | 2,234.19 | 183.74 | - | 2,417.93 |
| Total | 2,244.40 | 180.62 | - | 2,425.02 |
| Deferred tax liabilities (net) | 42,392.36 | (166.69) | (7,929.94) | 34,295.73 |

Movement in deferred tax liabilities for year ended 31st March 2020:

| Particulars | As at 31st March 2019 | Statement of Profit or Loss | Other comprehensive Income | As at 31st March 2020 |
|--|-----------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Deferred tax liabilities for taxable temporary differences on: | | | | |
| Fair valuation on investments carried at fair value through OCI | 36,650.81 | - | (18,611.50) | 18,039.31 |
| Fair valuation on investments carried at fair value through PL | 69.95 | (208.59) | - | (138.64) |
| Total | 36,720.76 | (208.59) | (18,611.50) | 17,900.67 |
| Deferred tax assets for deductible temporary differences on: | | | | |
| Difference between written down value of property, plant and equipment as per books of accounts and Income tax Act, 1961 | (0.23) | (0.02) | - | (0.25) |
| Provision for employee benefits through PL | 7.32 | 2.70 | 10.02 | 7.32 |
| Others | - | - | - | - |
| Mat Credit Entitlement | 2,417.93 | (28.63) | 2,389.30 | 2,417.93 |
| Total | 2,425.02 | (25.95) | - | 2,399.07 |
| Deferred tax liabilities (net) | 34,295.73 | (182.63) | (18,611.50) | 15,501.60 |
| | | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
| 15 Other non-financial liabilities | | | | |
| Statutory dues | | 3.53 | 1.99 | 8.07 |
| Sales Tax Payable | | 253.46 | 253.46 | 253.46 |
| Other Payable for Expenses | | 83.24 | 83.24 | 83.25 |
| | | 340.23 | 338.69 | 344.78 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|---------------------------------|--------------------------|------------------|--------------------------|------------------|-------------------------|------------------|
| | Number | Amount | Number | Amount | Number | Amount |
| 16 Equity share capital | | | | | | |
| Authorized share capital | | | | | | |
| Equity shares of ₹ 10 each | 14,20,00,000 | 14,200.00 | 14,20,00,000 | 14,200.00 | 14,20,00,000 | 14,200.00 |
| Preference shares of ₹ 100 each | 25,00,000 | 2,500.00 | 25,00,000 | 2,500.00 | 25,00,000 | 2,500.00 |
| Preference shares of ₹ 10 each | 1,50,00,000 | 1,500.00 | 1,50,00,000 | 1,500.00 | 1,50,00,000 | 1,500.00 |
| | 15,95,00,000 | 18,200.00 | 15,95,00,000 | 18,200.00 | 15,95,00,000 | 18,200.00 |
| Issued | | | | | | |
| Equity shares of ₹ 10 each * | 1,09,01,987 | 1,090.20 | 1,09,01,987 | 1,090.20 | 1,09,01,987 | 1,090.20 |
| | 1,09,01,987 | 1,090.20 | 1,09,01,987 | 1,090.20 | 1,09,01,987 | 1,090.20 |

* Includes 206 (P.Y 206) shares issued pursuant to the scheme of arrangement and kept in abeyance.

| Issued, subscribed and fully paid-up | | | | | | |
|---|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Equity shares of ₹ 10 each | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| (a) Reconciliation of equity share capital | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| Equity Shares | | | | | | |
| Balance at the beginning of the year | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |
| Add: Shares issued during the year | - | - | - | - | - | - |
| Balance at the end of the year | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 | 1,09,01,781 | 1,090.18 |

(b) Terms and rights attached to equity shares

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholdings.

The shareholders have all other rights as available to the Equity Shareholders as per the provision of Companies Act, 2013 read together with the Memorandum of Association and Articles of Association of the company, as applicable.

(c) Details of shareholders holding 5% or more shares in the Company:

| | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|---|--------------------------|---------------|--------------------------|---------------|-------------------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Equity shares of ₹ 10 each | | | | | | |
| Swallow Associates LLP (Holding Entity) | 76,93,928 | 70.57% | 76,22,815 | 69.92% | 76,22,815 | 69.92% |
| | 76,93,928 | 70.57% | 76,22,815 | 69.92% | 76,22,815 | 69.92% |

| | As at 31st March 2020 | | As at 31st March 2019 | | As at 1st April 2018 | |
|---------------------------------------|--------------------------|------------------|--------------------------|------------------|-------------------------|------------------|
| | 17 Other equity | | | | | |
| (i) General reserve | | | | | | |
| Balance at the beginning of the year | | 36,710.33 | | 36,710.33 | | 36,710.33 |
| Add : Changes during the year | | - | | - | | - |
| Balance at the end of the year | | 36,710.33 | | 36,710.33 | | 36,710.33 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|--------------------------|--------------------------|-------------------------|
| (ii) Statutory reserves (as per Sec 45 IC (1) of RBI Act, 1934) | | | |
| Balance at the beginning of the year | 7,404.85 | 6,697.56 | 6,697.56 |
| Add : Changes during the year | 1,439.81 | 707.29 | - |
| Balance at the end of the year | 8,844.66 | 7,404.85 | 6,697.56 |
| (iii) Capital redemption reserve | | | |
| Balance at the beginning of the year | 1.00 | 1.00 | 1.00 |
| Add : Changes during the year | | | |
| Balance at the end of the year | 1.00 | 1.00 | 1.00 |
| (iv) Capital Reserve | | | |
| Balance at the beginning of the year | 1,809.07 | 1,809.07 | 1,809.07 |
| Add : Changes during the year | | | |
| Balance at the end of the year | 1,809.07 | 1,809.07 | 1,809.07 |
| (v) Retained earnings | | | |
| Balance at the beginning of the year | 21,784.51 | 18,955.18 | 18,955.18 |
| Add:- Profit for the year | 7,204.81 | 3,446.88 | - |
| <u>Item of other comprehensive income recognised directly in retained earnings</u> | | | |
| On realised profit transfer to retained earnings | 0.35 | 202.46 | - |
| Tax Impact | 0.15 | (112.71) | - |
| Appropriations: | | | |
| Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 | (1,439.81) | (707.29) | - |
| Balance at the end of the year | 27,550.02 | 21,784.51 | 18,955.18 |
| (vi) Other comprehensive income | | | |
| Balance at the beginning of the year | 2,98,413.33 | 3,61,803.50 | 3,61,803.50 |
| Add : Changes during the year | (1,44,421.28) | (63,300.42) | - |
| Less : Items recognised directly in retained earnings | (0.50) | (89.74) | - |
| Balance at the end of the year | 1,53,991.53 | 2,98,413.33 | 3,61,803.50 |
| | 2,28,906.61 | 3,66,123.09 | 4,25,976.64 |

Description of nature and purpose of each reserve:

General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves.

Statutory reserve

The Group is required to create a reserve in accordance with the provisions of Section 45IC of the Reserve Bank of India Act, 1934. Accordingly 20% of the profits after tax for the year is transferred to this reserve at the end of every reporting period.

Other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of financial instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off, if any. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income.

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| 18 Interest Income | | |
| (on financial assest measued at amortised cost) | | |
| Interest on Deposit with banks | 38.34 | 43.16 |
| Interest Income on Venture Capital Fund | 19.67 | - |
| Interest Income on Others | 0.01 | - |
| | 58.02 | 43.16 |
| 19 Dividend Income | | |
| Dividend income on investments | 8,130.43 | 3,691.13 |
| | 8,130.43 | 3,691.13 |
| On Investment Measured at FVTPL | 15.02 | 9.75 |
| On Investment Measured at FVTOCI | 8,115.41 | 3,681.38 |
| | 8,130.43 | 3,691.13 |
| 20 Net gain/loss on fair value changes | | |
| (a) Net gain on financial instruments at FVTPL | | |
| mutual funds & venture capital fund | - | 74.56 |
| mutual funds through PMS | - | 0.09 |
| equity shares through pms | - | 13.97 |
| | - | 88.62 |
| Fair value changes: | | |
| Realised mutual fund & venture capital fund | - | 24.67 |
| Unrealised mutual fund & venture capital fund | - | 49.90 |
| Realised mutual fund through PMS | - | 0.00 |
| Unrealised mutual fund through PMS | - | 0.09 |
| Realised equity shares through PMS | - | 19.82 |
| Unrealised equity shares through PMS | - | (5.85) |
| | - | 88.62 |
| (b) Net loss on financial instruments at FVTPL | | |
| mutual funds & venture capital fund | 516.35 | - |
| mutual funds through PMS | (0.83) | - |
| equity shares through pms | 294.46 | - |
| | 809.98 | - |
| Fair value changes: | | |
| Realised mutual fund & venture capital fund | (56.24) | - |
| Unrealised mutual fund & venture capital fund | 572.59 | - |
| Realised mutual fund through PMS | (0.92) | - |
| Unrealised mutual fund through PMS | 0.09 | - |
| Realised equity shares through PMS | (3.91) | - |
| Unrealised equity shares through PMS | 298.37 | - |
| | 809.98 | - |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| 21 Other income | | |
| Provisions/liabilities written back | 2.30 | - |
| Interest on Income Tax refund | - | 13.42 |
| Share of Profit from LLP | 0.09 | 3.42 |
| Other miscellaneous income | 0.00 | - |
| | 2.39 | 16.84 |
| 22 Finance Cost (measured at amortised cost) | | |
| Interest Expenses on borrowings | - | 1.58 |
| | - | 1.58 |
| 23 Employee benefits expenses | | |
| Salaries and wages | 138.03 | 117.89 |
| Contribution to provident and other funds | 1.95 | (2.00) |
| Staff welfare expenses | 2.37 | 1.91 |
| | 142.35 | 117.80 |
| (a) Defined benefits plans - Gratuity (unfunded) | | |
| <p>Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is not subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Liability as on the Balance Sheet date is provided based on actuarial valuation done by a certified actuary using projected unit credit method.</p> <p>The following tables summarise the components of defined benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the Balance Sheet for the respective plans:</p> | | |
| (i) Change in projected benefit obligation | | |
| Projected benefit obligation at the beginning of the year | 12.57 | 21.05 |
| Current service cost | 1.44 | 0.94 |
| Interest cost | 0.98 | 1.63 |
| Actuarial (gains)/losses arising from change in financial assumption | 1.07 | 0.05 |
| Actuarial (gains)/losses arising from change in demographic assumption | 0.00 | - |
| Actuarial (gains)/losses arising from experience adjustments | 11.56 | (11.09) |
| Projected benefit obligation at the end of the year | 27.62 | 12.57 |
| (ii) Expenses charged to the Statement of Profit and Loss | | |
| - Current service costs | 1.44 | 0.94 |
| - Interest costs | 0.98 | 1.63 |
| | 2.42 | 2.57 |
| (iii) Components of net cost charged taken to Other comprehensive income | | |
| Actuarial (gains)/losses arising from change in financial assumption | 1.07 | 0.05 |
| Actuarial (gains)/losses arising from change in demographic assumption | 0.00 | - |
| Actuarial (gains)/losses arising from experience adjustments | 11.56 | (11.09) |
| | 12.63 | (11.04) |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| (iv) Key actuarial assumptions | | |
| Discount rate | 6.90% | 7.78% |
| Salary growth rate | 8.00% | 8.00% |
| Average remaining working life (in years) | 14 | 16 |
| Retirement age | 58 years | 58 years |

| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|------------------------|--------------------------|--------------------------|-------------------------|
| Mortality rate: | | | |
| Less than 30 years | 2% | 2% | 2% |
| 31-44 years | 2% | 2% | 2% |
| 45 years and above | 2% | 2% | 2% |

(v) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

| Particulars | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---------------------------------|-------------------------------|-------------------------------|
| DBO with discount rate + 1% | (1.20) | (1.04) |
| DBO with discount rate - 1% | 1.37 | 1.19 |
| DBO with + 1% salary escalation | 1.34 | 1.06 |
| DBO with - 1% salary escalation | (1.20) | (0.94) |
| DBO with + 1% withdrawal rate | (0.09) | (0.02) |
| DBO with - 1% withdrawal rate | 0.10 | 0.02 |

Methods and assumptions used in preparing sensitivity analysis and their limitations:

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

| | | |
|--|------|------|
| (vi) Expected Group Contribution in next year | 1.69 | 1.25 |
|--|------|------|

(vii) Maturity analysis of the benefit payments:

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--------------|--------------------------|--------------------------|-------------------------|
| Year 1 | 10.90 | 0.92 | 0.55 |
| Year 2 | 0.24 | 0.20 | 0.15 |
| Year 3 | 0.26 | 0.23 | 0.20 |
| Year 4 | 0.29 | 0.25 | 0.22 |
| Year 5 | 4.50 | 0.27 | 0.24 |
| Year 6 to 10 | 11.44 | 10.70 | 19.67 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020*(All amounts in ₹ Lakhs, unless otherwise stated)***(b) Compensated Absences**

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|--|--------------------------|---------------------------------------|---------------------------------------|
| Maturity profile | | | |
| Present Value of unfunded obligation | 7.86 | 10.24 | 14.81 |
| Expenses recognised in Statement of Profit and Loss | (0.48) | (4.57) | 0.41 |
| Discount rate (p.a) | 6.90% | 7.78% | 7.74% |
| Salary Escalation Rate (p.a) | 8% | 8% | 8% |
| | | Year ended 31st March 2020 | Year ended 31st March 2019 |
| 24 Depreciation, amortisation and impairment | | | |
| Depreciation on property, plant and equipment (refer note 8) | | 0.85 | 1.87 |
| | | 0.85 | 1.87 |
| 25 Other Expenses | | | |
| Rent | | 4.67 | 2.03 |
| Advertisement | | 1.02 | 0.73 |
| Brokerage | | - | 0.69 |
| Rates and taxes | | 22.60 | 26.83 |
| Legal and professional expenses | | 98.58 | 39.24 |
| Investment Expenses | | 41.16 | 24.03 |
| Listing and custodian fees | | 9.20 | 9.84 |
| Repairs and maintenance | | - | - |
| - Others | | 1.16 | 1.24 |
| Communication Expenses | | 7.16 | 14.43 |
| Filing fees | | 0.19 | 13.30 |
| Printing and stationery | | 5.17 | 5.49 |
| Sitting fees | | 2.13 | 2.15 |
| Insurance charges | | 1.02 | 0.73 |
| Miscellaneous expenses | | 3.53 | 3.52 |
| Corporate social responsibility (CSR) expenses (refer note 25) | | - | 55.95 |
| Payment to auditors: | | - | - |
| - Statutory audit (including limited review) | | 3.15 | 3.15 |
| - Others | | 1.08 | 1.08 |
| | | 201.81 | 204.42 |
| 26 Tax expense | | | |
| Current tax | | 30.82 | 236.50 |
| Short/(Excess) Provision of Tax For Earlier Years | | 0.35 | (2.61) |
| Deferred tax | | (228.76) | 17.05 |
| Mat Credit | | 28.63 | (183.74) |
| | | (168.96) | 67.20 |

The major components of income tax expense and the reconciliation of expense based on the domestic tax rate of 26% and 26% for financial year ended 31st March 2020 and 31st March 2019 respectively and the reported tax expense in profit or loss are as follows:

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | <u>Year ended 31st March 2020</u> | <u>Year ended 31st March 2019</u> | |
|---|---------------------------------------|---------------------------------------|---------------------------------|
| (a) Reconciliation of Current tax expenses : | | | |
| Profit before tax | 7,035.85 | 3,446.88 | |
| Enacted tax rates in India (%) | 26% | 26% | |
| Computed tax expense | 1,829.32 | 896.19 | |
| Effect of Income exempted from tax | (2,113.91) | (357.45) | |
| Effect of non-deductible expenses | 187.73 | 54.71 | |
| Effect of tax on capital gain | 127.68 | (356.95) | |
| Total income tax expense as per the statement of profit and loss | 30.82 | 236.50 | |
| 26(b) Current tax assets: | | | |
| Opening balance | 20.26 | 45.01 | |
| Add: During the year | 57.13 | (20.87) | |
| | 77.39 | 24.14 | |
| 26(b) Current tax assets/(liabilities): | | | |
| Opening balance | - | 3.88 | |
| Add: During the year | - | - | |
| | - | 3.88 | |
| 27 Earnings per share (EPS) | | | |
| Net profit attributable to equity shareholders | | | |
| Net profit attributable to equity shareholders (in ₹ lakhs) | 7,204.81 | 3,446.88 | |
| Nominal value of equity share (₹) | 10.00 | 10.00 | |
| Weighted average number of equity shares outstanding | 1,09,01,781 | 1,09,01,781 | |
| Basic earnings per share (₹) | 66.09 | 31.62 | |
| Diluted earnings per share (₹) | 66.09 | 31.62 | |
| 28 Corporate social responsibility expenditure | | | |
| Disclosure in respect of CSR expenses under Section 135 of the Companies Act, 2013 and rules thereon: | | | |
| (a) Gross amount required to be spent during the year | - | 55.95 | |
| (b) Amount spent during the year on: | | | |
| - Construction/acquisition of any asset | - | - | |
| - On purposes other than above | - | 55.95 | |
| | | | |
| | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
| 29 Contingent liabilities and commitments | | | |
| (a) Contingent liabilities | | | |
| Income Tax | 839.66 | 118.80 | 113.12 |
| Civil Suits | 140.14 | 140.14 | 140.14 |
| Sales Tax | 1.97 | 1.97 | 1.97 |
| Excise Duty | 18.78 | 18.78 | 18.78 |
| | 1,000.55 | 279.69 | 274.01 |
| (b) Capital Commitment | | | |
| Capital commitment towards investment in Venture Capital Funds | 87.43 | - | - |

Consolidated Notes on Financial Statements for the year ended 31st March 2020*(All amounts in ₹ Lakhs, unless otherwise stated)***30 Related party disclosures**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31st March 2020

Relationship**(i) Holding**

Swallow Associates LLP

(ii) Subsidiaries of Company (Control exist)

Instant Holdings Limited

Sudarshan Electronics and T.V. Limited

(iii) Key managerial personnel ('KMP')

| Key person | Designation |
|---------------------------|-------------------------|
| Ramesh Chandak | Director |
| Hari Narain Singh Rajpoot | Director |
| Amarendra Nath Mishra | Director |
| Hemendra Chimanlal Dalal | Director |
| Sneha Sohan Ranade | Director |
| Prem Kapil | Director |
| Abhay Vasant Nerurakar | Director |
| Paras Mal Rakhecha | Chief Financial Officer |
| Jiya Gangwani | Company Secretary |
| Rohin Feroze Bomanji | Manager |

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31st March 2020 :

Transactions with related parties

| Name of the party/Nature of transaction | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Key Managerial Personnel | | |
| Remuneration | 76.54 | 44.82 |
| Sitting Fees | 2.13 | 2.15 |

31 Fair value measurement**(a) Category wise classification of financial instruments**

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|-----------------------------|------|--------------------------|--------------------------|-------------------------|
| A. Financial assets: | | | | |
| Carried at cost | | | | |
| Cash and cash equivalents | 3 | 3,160.71 | 653.88 | 37.85 |
| Other bank balances | 4 | 38.45 | 1.09 | 3.28 |
| Loans | 5 | 0.20 | 10.38 | 4.80 |
| Investments | 6 | 2.77 | 24.52 | 8.28 |
| Other financial assets | 7 | 25.82 | 10.16 | 9.38 |
| | | 3,227.95 | 700.04 | 63.58 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|-----------------------------------|------|--------------------------|--------------------------|-------------------------|
| Carried at FVTPL | | | | |
| Investments | 6 | 5,239.37 | 2,524.94 | 2,414.70 |
| | | <u>5,239.37</u> | <u>2,524.94</u> | <u>2,414.70</u> |
| Carried at FVOCI | | | | |
| Investments in Equity Instruments | 6 | 2,37,472.66 | 3,98,613.31 | 4,70,888.37 |
| | | <u>2,37,472.66</u> | <u>3,98,613.31</u> | <u>4,70,888.37</u> |
| | | <u>2,45,939.98</u> | <u>4,01,838.29</u> | <u>4,73,366.65</u> |

Disclosure with respect to sale of Investment in Equity Instrument measured at Fair Value through OCI during the reporting period

| | |
|---|------------------------------|
| (i) Reason for Disposal of Investment | Companies are not doing well |
| (ii) Fair Value of Investment at the date of derocgnition | 0.48 |
| (iii) Cumulative Gain/Loss on Disposal | 0.35 |

B. Financial liabilities

Measured at cost

| | | | | |
|-----------------------------|----|---------------|--------------|-----------------|
| Payables | 10 | 11.57 | 16.78 | 4.07 |
| Borrowings | 11 | - | - | 1,680.00 |
| Other financial liabilities | 12 | 201.34 | 13.78 | 1,927.36 |
| | | <u>212.91</u> | <u>30.56</u> | <u>3,611.43</u> |

(b) Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1: Valuation based on quoted market price: Financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: Valuation based on using observable inputs: Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: Valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|--------------------------|--------------------------|-------------------------|
| Level 1 (Quoted prices in active market) | | | |
| Financial assets measured at FVOCI | | | |
| Investments in quoted equity instruments | 2,33,679.06 | 3,94,957.22 | 4,67,232.26 |
| Financial assets measured at FVTPL | | | |
| Investments in mutual funds | 3,930.80 | 1,710.07 | 1,560.09 |
| Investments in quoted equity instruments | 807.49 | 717.52 | 757.26 |
| Level 3 (Significant observable inputs) | | | |
| Financial assets measured at FVOCI | | | |
| Investments in unquoted equity instruments | 3,793.60 | 3,656.09 | 3,656.09 |
| Financial assets measured at FVTPL | | | |
| Investments in Preference Shares | 97.35 | 97.35 | 97.35 |
| Investments in Venture capital funds | 403.73 | - | - |
| | <u>2,42,712.03</u> | <u>4,01,138.26</u> | <u>4,73,303.06</u> |

Consolidated Notes on Financial Statements for the year ended 31st March 2020*(All amounts in ₹ Lakhs, unless otherwise stated)***Reconciliation of fair value of measurement categorised within level 3 of the value hierarchy**

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|------|--------------------------|--------------------------|-------------------------|
| Opening Fair value | | 3,753.44 | 3,753.44 | 3,753.44 |
| Purchase/Sales of Financial Instruments | | 403.73 | - | - |
| Change in Fair Value during the year | | 137.51 | | |
| Closing Fair value | | 4,294.68 | 3,753.44 | 3,753.44 |

Financial Instruments measured at Fair value - Level III

| Type | Valuation Technique | Significant Observable Input | Inter-relationship between significant unobservable inputs and fair value measurement |
|--------------------------------------|--|------------------------------------|--|
| Investment in unquoted equity shares | Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/ business based on its book value with appropriate relevant adjustments. | Not Applicable | Not Applicable |
| Investment in Venture Capital Fund | net asset value certificates from the investee parties. | Not Applicable | Not Applicable |

(c) Fair value of assets and liabilities measured at cost/amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, loans, other financial assets and other financial liabilities approximate their carrying amounts of these instruments.

32 Financial risk management

The Company is a Non-Banking Financial Company-Non Deposit Taking - Systemically Important (NBFC-ND-SI) registered with the Reserve Bank of India. On account of its business activities it is exposed to various financial risks associated with financials products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Group has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Group senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance.

(a) Credit risk

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. Similarly, a lender bears the risk that the borrower may default in the payment of contractual interest or principal on its debt obligations, or both. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Financial instruments

Risk concentration is minimized by investing in highly rated, investment in debt instruments. The Group lends to borrowers with a good credit score and generally most of the lending is secured against assets pledged by the borrower in favour of the Group. These investments and loans are reviewed by the Board of Directors on a regular basis.

The Group has categorised all its financial assets at low credit risks on account of no past trends of defaults by any parties. Therefore, the provision for expected credit loss has been made as per the Reserve Bank of India's prudential norms at 0.4% of the loan assets (which are not credit impaired).

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| Nature | Assets covered | Basis of expected credit loss |
|----------------------|---|---|
| Low credit risk | Cash and cash equivalents and other bank balances, Loans, Investments, Other financial assets | Life time expected credit loss or 12 month expected credit loss |
| Moderate credit risk | - | - |
| High credit risk | - | - |

Financial assets that are exposed to credit risk (*)

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|--------------------------|--------------------------|-------------------------|
| Low credit risk | | | - |
| Cash and cash equivalents and other bank balances | 3,199.16 | 654.97 | 41.13 |
| Loans | 0.20 | 10.38 | 4.80 |
| Investments | 2.77 | 24.52 | 8.28 |
| Other financial assets | 25.82 | 10.16 | 9.38 |
| Moderate credit risk | - | - | - |
| High credit risk | - | - | - |
| | 3,227.95 | 700.04 | 63.58 |

(*) These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Expected credit losses for financial assets :

As at 31st March 2020:

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|--|---------------------------|--|
| Cash and cash equivalents and other bank balances | 3,199.16 | - | 3,199.16 |
| Loans | 0.20 | - | 0.20 |
| Investments | 2.77 | - | 2.77 |
| Other financial assets | 25.82 | - | 25.82 |

As at 31st March 2019:

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|--|---------------------------|--|
| Cash and cash equivalents and other bank balances | 654.97 | - | 654.97 |
| Loans | 10.38 | - | 10.38 |
| Investments | 24.52 | - | 24.52 |
| Other financial assets | 10.16 | - | 10.16 |

As at 31st March 2018:

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|--|---------------------------|--|
| Cash and cash equivalents and other bank balances | 41.13 | - | 41.13 |
| Loans | 4.80 | - | 4.80 |
| Investments | 8.28 | - | 8.28 |
| Other financial assets | 9.38 | - | 9.38 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Market risk:

Market risk is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. These daily price fluctuations follows its own broad trends and cycles and are more news and transaction driven rather than fundamentals and many a times, it may affect the returns from an investment. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

Interest rate risk

Interest rate risk is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the Group's interest expenditure on borrowed funds.

a. Borrowings

| Particulars | As at | As at | As at |
|---|-----------------|-----------------|-----------------|
| | 31st March 2020 | 31st March 2019 | 1st April 2018 |
| Borrowings at variable interest rate | - | - | - |
| Borrowings at fixed interest rate | - | - | 1,680.00 |
| Total borrowings | - | - | 1,680.00 |
| Percentage of borrowings at variable interest rate | 0.00% | 0.00% | 0.00% |

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Group is exposed to price risk arising mainly from investments carried at fair value through FVTPL or FVOCI which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

| Particulars | Carrying value as at | | |
|---|----------------------|-----------------|----------------|
| | 31st March 2020 | 31st March 2019 | 1st April 2018 |
| Investments carried at FVTPL or FVOCI valued using quoted prices in active market | 2,38,417.36 | 3,97,384.81 | 4,69,549.62 |

| Particulars | Sensitivity analysis on total comprehensive income upon fluctuation of market prices | |
|---|--|-----------------|
| | Increase by 10% | Decrease by 10% |
| Impact on total comprehensive income for year ended 31st March 2020 | 23,841.74 | (23,841.74) |
| Impact on total comprehensive income for year ended 31st March 2019 | 39,738.48 | (39,738.48) |

(c) Liquidity risk:

Liquidity refers to the readiness of the Group to sell and realise its financial assets. Liquidity risk is one of the most critical risk factors for companies which is into the business of investments in shares and securities. It is the risk of not being able to realise the true price of a financial asset, or is not being able to sell the financial asset at all because of non-availability of buyers. Unwillingness to lend or restricted lending by Banks and Financial Institutions may also lead to liquidity concerns for the entities.

The Group maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities. The Group is currently having a mix of both short-term and long-term investments. The management ensures to manage its cash flows and asset liability patterns to

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

ensure that the financial obligations are satisfied in timely manner.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis.

| Particulars | Less than 1 year | Between 1 to 5 years | Over 5 years | Total |
|---|---------------------|-------------------------|-----------------|-----------------|
| As at 31st March 2020 | | | | |
| Borrowings (other than debt securities) | - | - | - | - |
| Payables | 11.57 | - | - | 11.57 |
| Other financial liabilities | 201.34 | - | - | 201.34 |
| | 212.91 | - | - | 212.91 |
| As at 31st March 2019 | | | | |
| Borrowings (other than debt securities) | - | - | - | - |
| Payables | 16.78 | - | - | 16.78 |
| Other financial liabilities | 13.78 | - | - | 13.78 |
| | 30.56 | - | - | 30.56 |
| As at 1st April 2018 | | | | |
| Borrowings (other than debt securities) | 1,680.00 | - | - | 1,680.00 |
| Payables | 4.07 | - | - | 4.07 |
| Other financial liabilities | 1,927.36 | - | - | 1,927.36 |
| | 3,611.44 | - | - | 3,611.44 |

(d) Inflationary risk:

Inflationary or purchasing power risk refers to the variation in investor returns caused by inflation. It is the risk that results in increase of the prices of goods and services which results in decrease of purchasing power of money, and likely negatively impact the value of investments. The two important sources of inflation are rising costs of production and excess demand for goods and services in relation to their supply. Inflation and interest rate risks are closely related as interest rates generally go up with inflation.

The Group closely monitors the inflation data and analyses the reasons for wide fluctuations thereof and its effect on various sectors and businesses. The main objective is to avoid inflationary risk and accordingly invest in securities and debt instruments that provides higher returns as compared to the inflation in long-term.

33 Capital management

For the purpose of Group's capital management, capital includes issued equity share capital, other equity reserves and borrowed capital less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximize shareholder's value.

The entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep an optimum gearing ratio. The entity includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Following table summarizes the capital structure of the Group.

| Particulars | As at 31st March 2020 | As at 31st March 2019 | As at 1st April 2018 |
|---|--------------------------|--------------------------|-------------------------|
| Borrowings | - | - | 1,680.00 |
| Less: Cash and cash equivalents (including other bank balances) | 3,199.16 | 654.97 | 41.13 |
| Adjusted net debt | -3,199.16 | -654.97 | 1,638.87 |
| Total equity (*) | 2,29,996.79 | 3,67,213.27 | 4,27,066.82 |
| Net debt to equity ratio | (0.00) | (0.00) | (0.00) |

(*) Equity includes capital and all reserves of the Company that are managed as capital.

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

34 First time adoption of Ind AS

These consolidated financial statements, for the year ended 31st March 2020, are the first financial statements, which the Group has prepared in accordance with the Ind AS. For periods up to and including the year ended 31st March 2019, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared these consolidated financial statements which comply with the Ind AS applicable for periods ending on 31st March 2020, together with the comparative period data as at and for the year ended 31st March 2019, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Company's opening balance sheet was prepared as at 1st April 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2018 and the consolidated financial statements as at and for the year ended 31st March 2019.

Ind AS 101 has set out certain mandatory exceptions and optional exemptions to be applied for transition from the existing Indian GAAP to Ind AS. The Group has adopted the following in preparing its opening Ind AS Balance Sheet.

(a) Optional exemptions

- (i) Cost of property, plant and equipments - Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the previous GAAP financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.
- (ii) Investments in subsidiaries, joint ventures and associates - In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet. Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.
- (iii) Business Combination Exemption: The Group has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to 1st April, 2018 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Group has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.
- (iv) The Group has decided to disclose prospectively from the date of transition the following as required by Ind AS 19 i) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and ii) The experience adjustments arising on; a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

(b) Mandatory exceptions

- (i) Financial assets and liabilities: The Group has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.
- (ii) Estimates - An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2018 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:
 - (i) Financial instruments carried at fair value through profit or loss and carried through other comprehensive income.
 - (ii) Impairment of financial assets based on expected credit loss model"

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

- (iii) De-recognition - The Group has applied the de-recognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

Derecognition of financial assets and financial liabilities - A first-time adopter should apply the derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities under its previous GAAP as a result of a transaction that occurred before the date of transition, it should not recognise those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

- (iv) Impairment on financial assets - As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Group has assessed impairment of financial assets in conformity with Ind AS 109."

(c) Reconciliation between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for the prior periods. The following tables represent the reconciliation from Previous GAAP to IndAS.

(i) Reconciliation of equity as at date of transition 1st April 2018 and as at 31st March 2019

| Note | Balance Sheet as at 31st March 2019 | | | Balance Sheet as at 1st April 2018 | | | | |
|----------------------------------|--|-------------------------------------|--------------------|---------------------------------------|-------------------------------------|--------------------|--------------------|-------------|
| | IGGAP | Effect of Transition to INDAS | INDAS | IGGAP | Effect of Transition to INDAS | INDAS | | |
| ASSETS | | | | | | | | |
| Financial Assets | | | | | | | | |
| | Cash and cash equivalents | 653.88 | - | 653.88 | 37.85 | - | 37.85 | |
| | Other bank balances | 1.09 | - | 1.09 | 3.28 | - | 3.28 | |
| | Loans | 10.38 | - | 10.38 | 4.80 | - | 4.80 | |
| | Investments | A | 73,217.30 | 3,27,945.48 | 4,01,162.78 | 66,654.83 | 4,06,656.51 | 4,73,311.34 |
| | Other financial assets | 10.16 | - | 10.16 | 9.38 | - | 9.38 | |
| | | 73,892.81 | 3,27,945.48 | 4,01,838.29 | 66,710.14 | 4,06,656.51 | 4,73,366.65 | |
| Non-financial Assets | | | | | | | | |
| | Current tax assets (net) | 20.26 | - | 20.26 | 45.01 | - | 45.01 | |
| | Property, plant and equipment | 1.40 | - | 1.40 | 1.60 | - | 1.60 | |
| | Other non-financial assets | 41.28 | - | 41.28 | 42.03 | - | 42.03 | |
| | | 62.94 | - | 62.94 | 88.64 | - | 88.64 | |
| | Total Assets | 73,955.75 | 3,27,945.48 | 4,01,901.23 | 66,798.78 | 4,06,656.51 | 4,73,455.29 | |
| LIABILITIES AND EQUITY | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Financial Liabilities | | | | | | | | |
| | Payables | 16.78 | - | 16.78 | 4.07 | - | 4.07 | |
| | Borrowings | - | - | - | 1,680.00 | - | 1,680.00 | |
| | Other financial liabilities | 13.78 | - | 13.78 | 1,927.36 | - | 1,927.36 | |
| | | 30.56 | - | 30.56 | 3,611.43 | - | 3,611.43 | |
| Non-Financial Liabilities | | | | | | | | |
| | Current tax liabilities (net) | | | | 3.88 | - | 3.88 | |
| | Provisions | 22.98 | - | 22.98 | 36.02 | - | 36.02 | |
| | Deferred tax liabilities (net) | B | (2,417.94) | 36,713.67 | 34,295.73 | (2,234.16) | 44,626.52 | 42,392.36 |
| | Other non-financial liabilities | 338.69 | - | 338.69 | 344.78 | - | 344.78 | |
| | | (2,056.27) | 36,713.67 | 34,657.40 | (1,849.48) | 44,626.52 | 42,777.04 | |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Note | Balance Sheet as at 31st March 2019 | | | Balance Sheet as at 1st April 2018 | | |
|-------------------------------------|------|--|-------------------------------------|--------------------|---------------------------------------|-------------------------------------|--------------------|
| | | IGGAP | Effect of Transition to INDAS | INDAS | IGGAP | Effect of Transition to INDAS | INDAS |
| Equity | | | | | | | |
| Equity share capital | | 1,090.18 | - | 1,090.18 | 1,090.18 | - | 1,090.18 |
| Other equity | C | 74,891.28 | 2,91,231.81 | 3,66,123.09 | 63,946.65 | 3,62,029.99 | 4,25,976.64 |
| | | 75,981.46 | 2,91,231.81 | 3,67,213.27 | 65,036.83 | 3,62,029.99 | 4,27,066.82 |
| Total Liabilities and Equity | | 73,955.75 | 3,27,945.48 | 4,01,901.23 | 66,798.78 | 4,06,656.51 | 4,73,455.29 |

(*) The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this Note.

(ii) Reconciliation of total comprehensive income for the year ended 31st March 2019 summarised in below table

| | Note | Year Ended 31st March 2019 | | |
|---|------|----------------------------|-------------------------------------|-----------------|
| | | IGGAP | Effect of Transition to INDAS | INDAS |
| Revenue from operations | | | | |
| (a) Interest income | | 43.16 | - | 43.16 |
| (b) Dividend income | | 3,691.13 | - | 3,691.13 |
| (c) Net gain on fair value changes | A | 7,558.26 | (7,469.64) | 88.62 |
| | | 11,292.55 | (7,469.64) | 3,822.91 |
| Other income | | 16.84 | - | 16.84 |
| Total Income | | 11,309.39 | (7,469.64) | 3,839.75 |
| Expenses | | | | |
| (a) Finance Cost | | 1.58 | - | 1.58 |
| (b) Impairment on financial instruments | | (24.97) | 24.97 | - |
| (c) Employee benefits expenses | D | 106.75 | 11.05 | 117.80 |
| (d) Depreciation | | 1.87 | - | 1.87 |
| (e) Other expenses | | 204.42 | - | 204.42 |
| Total Expenses | | 289.65 | 36.02 | 325.67 |
| Profit before tax | | 11,019.74 | (7,505.66) | 3,514.08 |
| Tax Expense: | | | | |
| (a) Current tax | | 236.50 | - | 236.50 |
| (b) Short/(Excess) Provision of Tax For Earlier Years | | (2.61) | - | (2.61) |
| (c) Deferred tax | B | (183.73) | 17.04 | (166.69) |
| Total tax expense | | 50.16 | 17.04 | 67.20 |
| Profit for the year | | 10,969.58 | (7,522.70) | 3,446.88 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Note | Year Ended 31st March 2019 | | |
|---|------|----------------------------|-------------------------------------|--------------------|
| | | IGGAP | Effect of Transition to INDAS | INDAS |
| Other Comprehensive Income | | | | |
| (a) (i) Items that will not be reclassified to profit or loss | | | | |
| - Fair valuation of equity instruments through other comprehensive income | A | - | (71,241.41) | (71,241.41) |
| - Remeasurement benefit of defined benefit plans | D | - | 11.05 | 11.05 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | (7,929.94) | (7,929.94) |
| Total other comprehensive income | | - | (63,300.42) | (63,300.42) |
| Total comprehensive income for the year | | 10,969.58 | (70,823.12) | (59,853.54) |

(*) The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this Note.

(iii) Effect of Ind AS adoption on total equity:

| Particulars | Notes | As at 31st March 2019 | As at 1st April 2018 |
|---|-------|-----------------------------|----------------------------|
| Total equity (Shareholder's fund) as per Previous GAAP | | 74,891.28 | 63,946.65 |
| Adjustments: | | | |
| Fair valuation of investments in equity instruments | A(a) | 3,27,629.06 | 4,06,406.33 |
| Fair valuation of investments in equity instruments through PMS | A(b) | 113.28 | 119.13 |
| Fair valuation of investments in mutual funds | A(b) | 204.90 | 132.81 |
| Fair valuation of investments in preference share | A(b) | (1.76) | (1.76) |
| Deferred tax on above items | B | (36,713.67) | (44,626.52) |
| Total equity as per Ind AS | | 3,66,123.09 | 4,25,976.64 |

(*) The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this Note.

(iv) Effect of Ind AS adoption on total comprehensive income:

| Particulars | Notes | Year ended 31st March 2019 |
|---|-------|----------------------------------|
| Net profit as per previous GAAP | | 10,969.58 |
| Impairment on financial instruments | | (24.97) |
| Effect of measuring financial instruments at fair value | A | (7,469.64) |
| Remeasurement benefit of net defined benefit plans | B | (11.05) |
| Deferred taxes | D | (17.04) |
| Profit for the year | | 3,446.88 |
| Total other comprehensive income | C | (63,300.42) |
| Total comprehensive income as per Ind AS | | (59,853.54) |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(v) Footnotes to the reconciliation of equity as at 1st April 2018 and 31st March 2019

A Investment

a FVOCI Financial assets

Under Indian GAAP, the Group accounted for long-term investments in unquoted equity shares and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes.

b FVTPL Financial assets

In the financial statements prepared under Previous GAAP, investments of the Group were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised the following investments through the profit and loss:

- Mutual Funds
- Preference Shares
- Equity Shares held through PMS

B Deferred tax

In the consolidated financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

C Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes fair valuation of investments in equity instruments, re-measurements of defined benefit plans and their corresponding income tax effects. The concept of other comprehensive income did not exist under Previous GAAP.

D Remeasurement benefit of defined benefit plan

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the Statement of Profit or Loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

35 Disclosure of Additional Information pertaining to the Parent Company, and its subsidiary per Schedule III of Companies Act, 2013

| Name of the entity in the Group | As at 31st March 2020 | | Year ended 31st March 2020 | | Year ended 31st March 2020 | | Year ended 31st March 2020 | |
|--|---|-------------|-------------------------------------|----------|---|-------------|---|-------------|
| | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of Consolidated total comprehensive income | Amount |
| Parent Company : | | | | | | | | |
| Summit Securities Limited | 51.80% | 1,19,143.97 | 35.35% | 2,546.74 | 43.94% | (63,451.94) | 44.39% | (60,905.20) |
| Subsidiary Company : | | | | | | | | |
| Instant Holdings Limited | 66.40% | 1,52,707.49 | 64.60% | 4,654.42 | 56.06% | (80,968.97) | 55.62% | (76,314.55) |
| Sudarshan Electronics and T.V. Limited | 0.01% | 24.62 | 0.05% | 3.64 | 0.00% | (0.36) | 0.00% | 3.28 |

Consolidated Notes on Financial Statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

| Name of the entity in the Group | As at 31st March 2019 | | Year ended 31st March 2019 | | Year ended 31st March 2019 | | Year ended 31st March 2019 | |
|--|---|-------------|-------------------------------------|----------|---|-------------|---|-------------|
| | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of Consolidated total comprehensive income | Amount |
| Parent Company : | | | | | | | | |
| Summit Securities Limited | 49.03% | 1,80,049.17 | 34.51% | 1,189.42 | 22.55% | (14,274.74) | 21.86% | (13,085.32) |
| Subsidiary Company : | | | | | | | | |
| Instant Holdings Limited | 62.37% | 2,29,022.04 | 68.09% | 2,347.05 | 77.61% | (49,127.19) | 78.16% | (46,780.14) |
| Sudarshan Electronics and T.V. Limited | 0.01% | 21.35 | -1.87% | (64.62) | -0.16% | 101.49 | -0.06% | 36.87 |

| Name of the entity in the Group | As at 31st March 2018 | |
|--|---|------------|
| | Net Assets i.e., total assets minus total liabilities | |
| | As % of Consolidated net assets | Amount |
| Parent Company : | | |
| Summit Securities Limited | 45.22% | 193,134.48 |
| Subsidiary Company : | | |
| Instant Holdings Limited | 64.58% | 275,802.18 |
| Sudarshan Electronics and T.V. Limited | -0.18% | (775.53) |

36 The Company does not exercise any control and does not have significant influence over CEAT Limited, and Spencer and Company Limited. Hence these entities are not considered as associates of the Company as per IND AS- 28 "Investments in Associates". The Investments have been accounted for as per IND AS - 109 "Financial Instruments".

37 Segment reporting

As per the requirement of IND AS 108 on "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the Group identified as single segments i.e. holding and investing with focus on earning income through dividends, interest and gains from investments. Accordingly, there are no separate reportable segments as per IND AS.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Regn No. : 101720W/W100355

Jignesh Mehta

Partner

Membership No. 102749

Place: Mumbai

Date : 23rd June 2020

For and on behalf of Board of Directors

Summit Securities Limited

H N Singh Rajpoot

Director

(DIN: 00080836)

A.V. Nerurkar

Director

(DIN: 00045309)

Parasmal Rakhecha

Chief Financial Officer

Jiya Gangwani

Company Secretary

Rohin Bomanji

Manager

Form AOC 1

Salient features of Financial Statements of Subsidiaries as per Companies Act, 2013

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

PART - "A" - Subsidiaries

(All amounts in ₹ Lakhs, unless otherwise stated)

| Sr. No | Name of Subsidiary Company | Reporting Currency | Share Capital | Reserve & Surplus | Total Assets | Total Liabilities | Investments | Turnover/ Total Income | Profit Before Taxation | Tax Expenses | Profit After Taxation | Other Comprehensive Income | Total Comprehensive Income | Proposed Dividend | % of Shareholding |
|--------|--|--------------------|---------------|-------------------|--------------|-------------------|-------------|------------------------|------------------------|--------------|-----------------------|----------------------------|----------------------------|-------------------|-------------------|
| 1 | Instant Holdings Limited | INR | 471.39 | 152,236.10 | 160,629.19 | 7,921.70 | 158,563.04 | 5,074.76 | 4,586.63 | (67.80) | 4,654.43 | (80,968.97) | (76,314.55) | - | 100% |
| 2 | Sudarshan Electronics and T.V. Limited | INR | 782.67 | (758.04) | 220.69 | 196.07 | 0.88 | 9.19 | 5.96 | 2.32 | 3.64 | (0.36) | 3.28 | - | 100% |

Note : There are no subsidiaries which are yet to commence operations or liquidated or sold during the year.

PART - "B" - Associates and Joint Ventures

Statement Pursuant to Section 129(3) of the Companies Act, 2013 Related to Associate Company

(All amounts in ₹ Lakhs, unless otherwise stated)

| Sr. No | Name of Associate Company | Shares of Associates held by company on year end | | | Extent of Holding (%) | Network attributable to shareholding as per latest Audited Balance Sheet | Profit/Loss for the year | | | | | |
|--------|-----------------------------|--|------------|------------------------------------|-----------------------|--|-----------------------------|---------------------------------|---|---|----------------|--------------|
| | | Latest Audited Balance Sheet Date | Nos. | Amount of Investment in Associates | | | Considered in Consolidation | Not Considered in Consolidation | Description of how there is significant influence | Reason why the associates is not consolidated | | |
| 1 | CEAT Limited | 31.03.2020 | 12,834,755 | 101,713.86 | 31.73 | - | - | 8,103.41 | - | - | Not Applicable | Refer Note 3 |
| 2 | Spencer and Company Limited | 31.03.2019 | 4,464,576 | 3,793.10 | 40.83 | - | - | 137.35 | - | - | Not Applicable | Refer Note 3 |

Note :

- There are no associates which are yet to commence operations or liquidated or sold during the year
- Company along with its subsidiary Instant Holdings Limited and Sudarshan Electronics and T.V. Limited hold more than 20% of the total share capital of CEAT Limited and Spencer and Company Limited.
- The Company does not exercise any control and does not have significant influence over CEAT Limited, and Spencer and Company Limited. Hence these entities are not considered as associates of the Company as per IND AS- 28 "Investments in Associates". The Investments have been accounted for as per IND AS - 109 "Financial Instruments.

For and on behalf of Board of Directors

Summit Securities Limited

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Regn No. : 101720W/W100355

Jignesh Mehta
Partner
Membership No. 102749

H N Singh Rajpoot
Director
(DIN: 00080836)

A.V. Nerurkar
Director
(DIN: 00045309)

Parasmal Rakhecha
Chief Financial Officer

Jiya Gangwani
Company Secretary

Rohin Bomanji
Manager

Place: Mumbai
Date : 23rd June 2020

