



# SCINTILLA COMMERCIAL & CREDIT LTD.

"Mercantile Building", Block - E, 2nd Floor, 9/12, Lal Bazar Street, Kolkata - 700001  
Ph.: 2248 5664, E-mail : info@scintilla.co.in, Website : www.scintilla.co.in  
CIN : L65191WB1990PLC048276,

Date: 30.11.2020

To,

**The Secretary  
BSE Limited  
Floor 25, P J Towers,  
Dalal Street,  
Mumbai - 400 001**

**The Secretary  
The Calcutta Stock Exchange Limited  
7, Lyons Range,  
Kolkata - 700001  
West Bengal**

Scrip Code: 538857

Dear Sir/ Madam,

**Sub: 31<sup>st</sup> Annual Report of the company for the Financial Year 2019-20 along with the Notice of Annual General Meeting.**

Pursuant to Regulation 30 and 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report for the Financial Year 2019-20 along with the notice of the 31<sup>st</sup> Annual General Meeting of the Company scheduled to be held at "Oswal Chambers", EITMA, 5<sup>th</sup> Floor, 2, Church Lane, Kolkata-700 001, on Wednesday, the 23<sup>rd</sup> December, 2020 at 01.00 PM, being sent to the members through electronic mode.

The Annual Report including Notice convening Annual General Meeting is also uploaded on the Company's website: <https://www.scintilla.co.in/annual-report.php>

This is for your information and records.

Thanking you.

Yours faithfully,

**For Scintilla Commercial & Credit Ltd**

*Jitendra Kumar Goyal*  
**Jitendra Kumar Goyal  
Director  
DIN: 00468744**



*Encl: As above*



# ANNUAL REPORT 2019-20

**Scintilla Commercial & Credit Limited**

Email: [info@scintilla.co.in](mailto:info@scintilla.co.in)

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



**Corporate Information**

**BOARD OF DIRECTORS**

Mr. Dipak Kumar Kajrewal (*Resigned w.e.f., 14.08.2019*)  
Mr. Pankaj Marda (*Appointed w.e.f., 12.02.2020*)  
Mr. Jitendra Kumar Goyal

Managing Director  
Managing Director  
Executive Director

Mr. Vidhu Bhushan Verma  
Mr. Mahesh Kumar Kejriwal  
Ms. Ritu Agarwal

Non-Executive Independent Director  
Non-Executive Independent Director  
Non- Executive Woman Independent  
Director

**COMPANY SECRETARY**

Mr. Shashi Chandra Jha  
(Appointed w.e.f 14.02.2019 & Resigned w.e.f. 05.07.2019)  
Ms. Aayushi Kapur  
(Appointed w.e.f. 14.08.2019 & Resigned w.e.f. 25.11.2019)  
Ms. Radhika Maheshwari  
(Appointed w.e.f. 12.02.2020 & Resigned w.e.f. 14.08.2020)  
Mr. Anand Malakar  
(Appointed w.e.f. 19.08.2020)

**CHIEF FINANCIAL OFFICER**

Mr. Prabhat Kumar Marda

**BANKER**

ICICI

**AUDIT COMMITTEE**

**Chairman**

Mr. Vidhu Bhushan Verma

**Members**

Mr. Mahesh Kumar Kejriwal  
Ms. Ritu Agarwal  
Mr. Jitendra Kumar Goyal

**NOMINATION & REMUNERATION  
COMMITTEE**

**Chairman**

Mr. Vidhu Bhushan Verma

**Members**

Mr. Mahesh Kumar Kejriwal  
Ms. Ritu Agarwal

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

**Chairman**

Mr. Vidhu Bhushan Verma

**Members**

Mr. Mahesh Kumar Kejriwal  
Ms. Ritu Agarwal



**STATUTORY AUDITORS**

C. K. Chandak & Co.  
Chartered Accountants  
Old 31 (New 10), P. L. Som Street, Near B.A. Mathwater  
Tank, Bhadrakali, Uttarpara-712232

**SECRETARIAL AUDITOR**

Rajesh Ghorawat  
68, R.K. Chatterjee Road, Kasba Bakultala,  
3<sup>rd</sup> Floor, Kolkata-700042

**REGISTRAR AND SHARE TRANSFER AGENTS**

Niche Technologies Private Limited  
3A, Auckland Place, 7th Floor, Room No. 7A & 7B,  
Kolkata-700 017  
Tel: (033) 2280 6616/6617/6618  
Fax: (033) 2280 6619  
**E-Mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)**

**REGISTERED OFFICE**

Mercantile Building  
Block-E, 2nd Floor  
9/12, Lalbazar Street  
Kolkata – 700 001

**CORPORATE OFFICE**

Jajodia Tower,  
3, Bentinck Street, 4th Floor,  
Room No. D-8, Kolkata 700 001

**CONTACT**

Tel: 91 33 2248 5664  
E-mail: [info@scintilla.co.in](mailto:info@scintilla.co.in)  
Website: [www.scintilla.co.in](http://www.scintilla.co.in)

**CORPORATE IDENTIFICATION NUMBER**

L65191WB1990PLC048276



**NOTICE OF THIRTY-FIRST ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 31st Annual General Meeting of the members of M/s. Scintilla Commercial & Credit Ltd will be held at "Oswal Chambers", EITMA, 5<sup>th</sup> Floor, 2, Church Lane, Kolkata – 700 001 on Wednesday, the 23<sup>rd</sup> December, 2020 at 01.00 P.M. to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the year ended 31<sup>st</sup> March, 2020 along with the Reports of Auditor's and Directors' thereon.
2. To appoint a Director in place of Mr. Pankaj Marda (DIN: 00420913), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To modify the terms of appointment of Statutory Auditors and fix their remuneration and in this respect to pass, with or without modification, the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rule 3(7) of The Companies (Audit and Auditors) Rules, 2014 as amended by The Companies (Amendment) Act, 2017 effective from 7th May, 2018 and all other applicable provisions of the Act (including any statutory modifications or re-enactment thereof for the time being in force), the existing terms of appointment of M/s. C.K. Chandak & Co., Chartered Accountants (Firm Registration No. 326844E), Statutory Auditors of the Company be and is hereby modified to the extent that their appointment done in the 29<sup>th</sup>AGM of the Company shall not be subjected to ratification by the shareholders at the Annual General Meeting and they shall continue to be the Statutory Auditors of the Company for remaining duration of their terms of appointment without ratification at each AGM and the Board be and is hereby authorized to fix their remuneration, if any, to be paid to the Auditors in each of the financial years on the recommendation of the Audit Committee."

**SPECIAL BUSINESS:**

4. **Disposal of Investments made by the Company in Body Corporate(s).**

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

**"RESOLVED THAT** pursuant to the provisions of The Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Company, be and is hereby accorded to sell, transfer and otherwise dispose of the investments made by the Company in Jaimatarani Merchants Limited and Mericogold Trading Limited."

**"RESOLVED FURTHER THAT** Directors of the Company and/or the Company Secretary, be and is hereby authorized to do all such acts, deeds and things and to execute all such documents and writings as it may be considered necessary, for the purposes of giving effect to this resolution."





5. **To approve the appointment of Mr. Pankaj Marda (DIN- [00420913](#)) as a Managing Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sec 196, 197, 203 Schedule V and any other applicable provisions of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof) and the Article of Association of the Company and subject to the approval of Central Government, the consent of the members of the company be and is hereby accorded to appoint Mr. Pankaj Marda (DIN: [00420913](#)) as the Managing Director of the Company for a term of 5 years with effect from 12<sup>th</sup> February, 2020 upon the terms and condition set out in the Explanatory Statement annexed to the Notice convening this meeting( at a remuneration fixed by the Board on the recommendation of the Nomination & Remuneration Committee) with the liberty to the Board of Directors of the Company to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Marda.

**"RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

**By Order of the Board**  
Scintilla Commercial & Credit Ltd

**Registered Office:**

Mercantile Building,  
Block-E, 2<sup>nd</sup> Floor, 9/12, Lalbazar Street,  
Kolkata – 700001  
CIN: L65191WB1990PLC048276  
Phone: 91 33 2248 5664  
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Website: [www.scintilla.co.in](http://www.scintilla.co.in)

Anand Malakar  
**Company Secretary**

Date: 09<sup>th</sup> November, 2020



**NOTES:**

1. **A Member entitled to attend and vote at the Meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**  
A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. Proxies in order to be effective must be lodged with the Company's Registered Office at least 48 hours before the commencement of the Meeting.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the items of Special Business to be transacted at the meeting is annexed hereto.
3. The information as required to be provided in terms of Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") regarding the Directors who are proposed to be appointed/re-appointed is annexed.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 17<sup>th</sup> December, 2020 to 23<sup>rd</sup> December, 2020 (both days inclusive).
5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, for assistance in this regard.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.
7. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members/ Proxies/ Authorised Representatives are requested to bring the attendance slip(s) duly filled in for attending the AGM. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number and those who hold shares in physical form are requested to write their folio number on the attendance slip for attending the AGM and hand over the duly filled attendance slip(s) at the entrance to the venue.
10. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the members at the Company's Registered Office on all working days, during business hours upto the date of the Meeting.



11. Members desirous of making a nomination in respect of their shareholding, as permitted by Section 72 of the Companies Act, 2013, are requested to write to the Registrar and Transfer Agent of the Company for the prescribed form.
12. Members are requested to mention their Folio Number in all their correspondence with the Company in order to facilitate response to their queries promptly.
13. Members/Proxies are requested to kindly take note of the following:
  - (i) Copies of Annual Report will not be distributed at the venue of the meeting.
  - (ii) Attendance Slip, as sent herewith, is required to be produced at the venue duly filled in and signed, for attending the meeting.
  - (iii) Entry to the venue will be strictly on the basis of produce of duly completed and signed Attendance Slip; and
  - (iv) In all correspondences with the Company and/or the R & T Agent, Folio No. must be quoted.
14. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificate to enable the Company to consolidate their holdings in one folio.
15. Niche Technologies Pvt. Ltd. is the Registrar and Share Transfer Agent (RTA) of the Company. All investor related communication may be addressed to the following address:

Niche Technologies Pvt. Ltd.  
3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700 017  
Tel: (033) 2280 6616/6617/6618  
Fax: (033) 2280 6619  
E-Mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)
16. The Ministry of Corporate Affairs (MCA) has come out with Circular Nos. 17/2011 dated 21/04/2011 & 18/2011 dated 29/04/2011 propagating "Green Initiative" encouraging Corporates to serve documents through electronic mode. In view of the above, shareholders are requested to update their e-mail address with the RTA of the Company, if shares are held in physical form and with their Depository Participants (DP), if the shares are held in Dematerialized form.
17. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting and the Annual Report for 2020 will also be available on the Company's website [www.scintilla.co.in](http://www.scintilla.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata, West Bengal for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@scintilla.co.in](mailto:info@scintilla.co.in).
18. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/ Niche Technologies (P) Ltd.





19. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules 2014, substituted by Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited (NSDL). The facility for voting through ballot paper will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have already cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. The instructions for e-voting are annexed to the Notice.
20. The Annual Report 2019-20 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2019-20 are being sent by permitted mode.
21. The Register of directors and Key Management Personnel and their Shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
22. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
23. **Voting through electronic means:**
  - I. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has engaged the service of National Securities Depository Limited (NSDL) to provide the facility of electronic voting (e-voting) in respect of the Resolutions proposed at this Annual General Meeting.
  - II. The remote e-voting period commences on 20<sup>th</sup> December 2020 (9:00 am IST) and ends on 22<sup>nd</sup> December, 2020 (5:00 pm IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 16<sup>th</sup> December, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter at 5.00 p.m. on 22<sup>nd</sup> December, 2020. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - III. The process and manner for remote e-voting are as under:

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

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

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

**Details of Step-1 are mentioned below:**

**How to Log-into 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 'Shareholders' 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 e-services 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:

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

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details / Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



- b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d) 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.

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

**How to 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 company for which you wish to cast your vote.
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.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rgadvisory18@gmail.com](mailto:rgadvisory18@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.



3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- IV. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of **16<sup>th</sup> December, 2020**. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. of **16<sup>th</sup> December, 2020** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [RTA at nichetechpl@nichetechpl.com](mailto:RTA_at_nichetechpl@nichetechpl.com)
- VI. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the toll free no.: 1800-222-990.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- IX. Mr. Rajesh Ghorawat, Practicing Company Secretary (Membership No. FCS 7226) has been appointed by the Board of Directors as the Scrutinizer for providing facility to the members of the Company, to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 (Forty eight) hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.scintilla.co.in](http://www.scintilla.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited & The Calcutta Stock Exchange Limited, where the shares of the Company are listed.
- XII. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of AGM.



**Registered Office:**

Mercantile Building,Block-E, 2<sup>nd</sup> Floor,  
9/12, Lalbazar Street,Kolkata – 700001  
CIN: L65191WB1990PLC048276  
Phone: 91 33 2248 5664  
E-mail: info@scintilla.co.in  
Website: [www.scintilla.co.in](http://www.scintilla.co.in)

**By Order of the Board**  
Scintilla Commercial & Credit Ltd

Anand Malakar  
**Company Secretary**

Date: 09<sup>th</sup> November, 2020



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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")**

**ITEM NO. 4: Disposal of investments made by the Company in Body Corporates.**

The Board of Directors of the Company ("Board") in their meeting held on Monday, 09th November, 2020 subject to necessary approval(s), have approved the proposal for disposing off the investments made by the Company in Jaimatarani Merchants Limited and Mericogold Trading Limited.

The Board therefore, seeks approval of the Members as set out in the notice, by way of an ordinary resolution.

The Board of Directors of the Company believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Ordinary Resolution as set out Item No. 4 in the accompanying notice for your approval.

None of the Directors or any Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

**ITEM NO. 5: Appointment of Mr. Pankaj Marda as a Managing Director of the Company.**

The Board at its meeting held on 12<sup>th</sup>February, 2020, in accordance to performance evaluation report and on the recommendation of Nomination and Remuneration Committee has appointed Mr. Pankaj Marda as the Managing Director of the Company for a period of 5(five) years, subject to the approval of members at the ensuing Annual General Meeting of the Company.

The Board considers that his continued association would be immense beneficial to the Company and it is desirable to avail services of Mr. Pankaj Marda as a Managing Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Pankaj Marda as Managing Director, for approval by the shareholders of the Company for the period of five years with effect from 12<sup>th</sup> February, 2020

A brief profile of Mr. Pankaj Marda including nature of his expertise and shareholding in the Company are annexed to the notice.

Except Mr. Pankaj Marda, no Director, Key Managerial Personnel of your Company and their relatives, are in any way, financially or otherwise, directly or indirectly interested or concerned in the resolution.





Accordingly, the Board recommends the Ordinary Resolution set forth in Item no. 5 in relation to appointment of Mr. Pankaj Marda as a Managing Director, for the approval by the shareholders.

**Registered Office:**

Mercantile Building,  
Block-E, 2<sup>nd</sup> Floor, 9/12, Lalbazar Street,  
Kolkata – 700001

CIN: L65191WB1990PLC048276

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

Date: 09<sup>th</sup> November, 2020

**By Order of the Board**

Scintilla Commercial & Credit Ltd

Anand Malakar

**Company Secretary**

**ANNEXURE TO THE NOTICE**

**Detail of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

<b>Name of the Director</b>	<b>Mr. Pankaj Marda</b>
<b>Director Identification Number (DIN)</b>	00420913
<b>Date of Birth</b>	11/05/1974
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	12/02/2020
<b>Qualification</b>	BSc (Graduate)
<b>Expertise in specific functional area</b>	He has more than 10 years of experience and vast expertise in the field of finance, capital markets and related activities. He has been leading the business of NBFC companies. Under his dynamic leadership and vast experience, we are able to deliver constant value to our customers' time and gain. His continuation as a Director on the Board of the Company will help the Company to grow and make wise decisions.
<b>Shareholding in Scintilla Commercial &amp; Credit Ltd</b>	NIL
<b>List of Directorships held in other Listed Companies (excluding foreign, private and Section 8 Companies)</b>	Kaushal Investments Ltd
<b>Memberships /Chairmanships of Audit and Stakeholder's Relationship Committees across Public companies including Scintilla Commercial &amp; Credit Ltd</b>	NIL
<b>Relationships between the Directors inter-se</b>	NIL

**DIRECTORS' REPORT**

**To**  
**The Members,**  
**Scintilla Commercial & Credit Limited**

Your directors have pleasure in presenting their 31<sup>st</sup> Annual Report on the business and operations of Scintilla Commercial & Credit Ltd (the "Company") together with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2020.

**Circulation of Annual Reports in electronic form**

In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for Financial Year - 2020. Accordingly, the Annual Report of the Company for Financial Year - 2020 is being sent only by email to the members, and all other persons/entities entitled to receive the same. This Annual Report, along with other documents, is also available on the Company's website at <https://www.scintilla.co.in>

**Financial Highlights (Standalone and Consolidated)**

During the year under review, performance of your company is as under:

(Rs in '000)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2020	Year Ended 31.03.2019*	Year Ended 31.03.2020	Year Ended 31.03.2019*
Revenue from Operations	4590.50	4977.06	4590.50	4977.06
Other Income	21.50	127.35	1363.85	971.49
<b>Total Income</b>	<b>4611.99</b>	<b>5104.41</b>	<b>5954.35</b>	<b>5948.54</b>
Total Expenses	4849.76	5460.72	6160.94	5595.27
Profit before Exceptional items and tax	-237.77	-356.31	-206.59	353.27
Exceptional items	-	-	-	-
<b>Profit Before Tax</b>	<b>-237.77</b>	<b>-356.31</b>	<b>-206.59</b>	<b>353.27</b>
Current Tax	-	13.63	2.94	32.32
Deferred Tax	-46.21	-105.63	-304.95	99.61
<b>Profit for the Year</b>	<b>-191.56</b>	<b>-264.31</b>	<b>95.42</b>	<b>221.35</b>
Profit for the Year attributable to:				
- Owners of the Company	-	-	-33.72	2.80
- Non-Controlling	-	-	129.14	218.55
Other Comprehensive	-	-	-	-
Total Comprehensive Income	-191.56	-264.31	95.42	221.35

\* Previous Year figures have been recast/restated.



### **Operating & Financial Performance**

Despite the challenging business environment throughout the year, your Company delivered a consistent performance throughout the preceding three quarters. The rapid pace of the unprecedented Coronavirus (Covid19) outbreak in India followed by the countrywide lockdown unfortunately halted the run rate of the Company's performance in the last quarter. What was emerging as a continuation of the moderate growth, slowed down in pace by the year-end.

The Companies Standalone Revenue from operations for the financial year 2019 - 20 was 45.90 Lakhs compared to the previous year's revenue of 49.77 Lakhs. The Company's Profit/Loss after Tax for the year is Rs. -1.92 Lakhs as against Rs. -2.64 Lakhs in the previous year.

The Consolidated Revenue from Operation for the Financial Year 2019-20 was Rs. 45.90 Lakhs compared to Rs. 49.77 Lakhs in the Previous Year. The Company's Profit after Tax on a consolidated basis was Rs. 96 Lakhs during the year compared to Rs. 222 Lakhs in the Previous Year.

### **Material Changes & 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 of the company to which the financial statements relate and the date of the report.

### **Dividend**

The Board of Directors of the Company does not propose to declare any dividend for the year 31<sup>st</sup> March, 2020.

### **Transfer to Reserves**

Statutory reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934): defines that every non-banking finance institution, which is a Company, shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has transferred an amount of Rs 72.10 thousand in 2018-19 and Rs 236.95 thousand in 2019-20 to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934.

### **Share Capital**

The paid up Equity Share Capital as on March 31, 2020 was Rs. 10,02,77,770/-. During the year under review, the company has not issued any shares or any convertible instruments.

### **Statutory & Legal Matters**

There has been no significant and/ or material order(s) passed by any Regulators/ Courts/ Tribunals impacting the status. However, there was a notice received by the company from BSE regarding issue related to shell companies and in this regard, Forensic Audit is under process.



### **Financial Liquidity**

Cash and cash equivalent as on March 31<sup>st</sup> 2020 was Rs. 16.24 thousands (previous year Rs. 364.20 thousands). The Company's working capital management is based on a well-organized process of continuous monitoring and controls.

### **Deposits**

The Company, being a Non Deposit Accepting NBFC, has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### **Subsidiary / Joint Ventures / Associates**

The Company has two Indian subsidiaries i.e., Jaimatarani Merchants Limited and Mericogold Trading Limited as on 31<sup>st</sup> March, 2020. None of the subsidiaries are material in nature.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies in the prescribed format, AOC 1 is also included as the part of this report as **Annexure-A**.

In accordance Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone financial statements, consolidated financial statements and related information and the audited annual accounts of the subsidiary companies have been placed on the website of the Company at <https://www.scintilla.co.in/subsidiaries-financial-results.php>

The Company Does not have any associate or Joint Venture Company.

### **Internal Financial Control and its adequacy**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### **Risk Management Policy**

Risk Management Programme involves risk identification, assessment and risk mitigation planning for strategic, operational, financial and compliance related risks across various levels of the organization. The Board of Directors and senior management team recurrently assess the operations and operating environment to identify potential risks and take necessary mitigation actions.



## **Directors and Key Managerial Personnel**

### *Changes during the year*

During the year under review, Mr. Pankaj Marda (DIN: 00420913) was appointed as the Managing Director of the Company with effect from 12<sup>th</sup> February, 2020.

Further, the Company had appointed Mr. Anand Malakar as the Company Secretary (CS) & Compliance officer of the Company with effect from 19<sup>th</sup> August, 2020 in place of Ms. Radhika Maheshwari who resigned from the Company with effect from 14<sup>th</sup> August, 2020.

### *Retirement by rotation*

In terms of Section 152 of the Companies Act, 2013, Mr. Pankaj Marda retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

## **Declaration by Independent Director(s)**

The Board of Directors hereby certifies that the Independent Directors appointed on the Board, meet the criteria pursuant to Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

Necessary Declarations have been obtained from all the Independent Directors under Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

## **Familiarization Programme for Independent Directors**

To familiarize the Independent Directors with the strategy, operations and functions of our company, the executive directors/ senior managerial employees make presentation to the Independent Directors about the company's strategy, operations and service offerings, markets, finance, quality etc. The Director is also explained in detail the various compliances required from him as a Director under the various provisions of the Companies Act 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2011, the Code of Conduct of the Company and other relevant regulations.

Further, at the time of appointment of an Independent director, the company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a director. The details of the familiarization Programme imparted to independent directors are disclosed on the Company's website <https://www.scintilla.co.in/pdf/policy/Familiarisation Programme for ID SCINTILLA.pdf>

## **Board Meetings**

During the Financial Year 2019-2020, 6 (Six) meetings of the Board of Directors of the Company were held. The details of which are given in the Corporate Governance Report. The





intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

### **Meeting of Independent Directors**

In term of the requirement of Schedule IV to the Companies Act, 2013, the Independent Directors had a separate meeting on 12<sup>th</sup> February, 2020 without the attendance of Non-Independent Directors and management of the Company.

### **Board Committees**

#### *Audit Committee*

The Board has duly constituted Audit Committee, composition of which is provided under the Corporate Governance Report. There have been no instances during the year where recommendations of the Audit Committee were not accepted by the board.

#### *Nomination & Remuneration Committee*

The Board has duly constituted Nomination & Remuneration Committee, composition of which is provided under the Corporate Governance Report.

#### *Stakeholders Relationship Committee*

The Board has duly constituted Stakeholders Relationship Committee, composition of which is provided under the Corporate Governance Report.

### **Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and to fix their remuneration. The Company's Remuneration Policy is available on the Company's website at <https://www.scintilla.co.in/pdf/policy/notice-06-09-2019-4.pdf>

As part of the policy, the Company strives to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors / KMPs of the quality required to run the company successfully.

### **Director's Responsibility Statement**

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, for the year ended on 31<sup>st</sup> March, 2020 and state that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;



- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Related Party Transactions**

All transactions entered with Related Parties during the financial year were on an arm's length basis and were in ordinary course of business and the provision of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in Form AOC- 2 is not required. The Audit Committee reviews all the related party transactions quarterly. Further, the Company has not made any materially significant related party transactions with Promoters, Directors or other designated person, which may have a potential conflict with the interest of the Company at large. The Policy on Related Party transactions as approved by the Board has been uploaded on the Company's Website and may be accessed the Company's website at [www.scintilla.co.in](http://www.scintilla.co.in).

Your directors draw attention of members to notes to the Financial Statements, which set out related party disclosures.

### **Annual evaluation of Board's Performance**

Pursuant to provisions of Sections 134, 149, 178 read with Schedule IV of the Companies Act, 2013 and Regulation 19(4) read with Part D of schedule II of SEBI Listing Regulations, 2015, the Nomination and Remuneration Committee (NRC) of your Company has formulated and laid down criteria for performance evaluation of the Board (including Committees) and every individual director (including Independent Directors & Managing Director) covering, inter-alia, the following parameters namely:

1. Board Evaluation- degree of fulfillment of key responsibilities; Board culture and dynamics
2. Board Committee Evaluation-effectiveness of meetings; committee dynamics.
3. Individual Director Evaluation (including IDs)-contribution at Board Meetings.

Further, the Executive Directors are evaluated on key aspects of the role, which includes inter-alia effective leadership to the Board and adequate guidance to the Management.

During the year, the Board had evaluated performance of its own, its Committees and the Individual Directors. After the evaluation process was complete, the Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters as stipulated in the evaluation framework in its pro-growth activity and facing challenges operational, climatic and economic adversities during the year.



### **Vigil Mechanism/Whistleblower Policy**

Your Company's Vigil Mechanism/Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behavior, actual or suspected incidents of fraud or leak of unpublished price sensitive information or any violation of the Code of Conduct that could adversely impact your Company's operations, business performance and / or reputation. The Policy provides that your Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. The Company's Policy ensures that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The Audit Committee oversees the practice of the Whistleblower Policy and no employee has been denied access to the Committee. The Whistleblower Policy is available on your Company's website [https://www.scintilla.co.in/pdf/policy/whistle\\_blower.pdf](https://www.scintilla.co.in/pdf/policy/whistle_blower.pdf)

### **Corporate Social Responsibility**

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the Company.

### **Listing**

The shares of the Company are listed on the BSE Limited and Calcutta Stock Exchange Limited. The Company's shares are compulsorily traded in the dematerialized form. The ISIN allotted is **INE892C01018**.

### **Auditors**

#### *Statutory Auditors*

At the 29<sup>th</sup> Annual General Meeting of the Company held in the year 2018, M/s C. K. Chandak & Co, Chartered Accountants, was appointed as statutory auditors of the Company for a period of five years till the conclusion of 34<sup>th</sup> AGM of the Company. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. However, the Companies Amendment Act, 2017 has come into force on 7<sup>th</sup> May, 2018 and the requirement of ratification of Auditors in every Annual General Meeting has been omitted. Hence, M/s. C. K. Chandak & Co., Chartered Accountants, will hold office for 5 years and they would not be subject to ratification during continuation of in the office of the Auditors' of the Company.

#### *Internal auditor*

Mr. Pratik Agarwal, Practising Chartered Accountants was appointed as the Internal Auditor of the Company for the Financial Year 2019-20.

#### *Secretarial auditor*

The Company had appointed Mr. Rajesh Ghorawat, Practising Company Secretary as the Secretarial Auditor of the Company for the Financial Year 2019-20. According to the



provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report as **Annexure-B**.

### **Auditor's Report**

The Auditor's Report read together with the Notes on Accounts are self-explanatory and therefore do not call for any further explanation and comments. No frauds were reported by the Auditor se under sub-section 12 of Section 143 of the Companies Act, 2013.

The Secretarial Audit Report of the Company does not contain any qualification, reservation or adverse remark.

### **Cost Records and Cost Audit**

The provisions of cost records and cost audit as specified by the Central Government under section 148 of the Companies Act, 2013 are not applicable to the Company.

### **Corporate Governance and Shareholders Information**

Your Company has always taken adequate steps to adhere to all the stipulations laid down in SEBI (LODR) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. Compliance Certificate from the Statutory Auditors of the company M/s. C.K. Chandak & Co., Chartered Accountants, confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is included as a part of this report.

### **Code of Conduct**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website <https://www.scintilla.co.in/pdf/policy/notice-06-09-2019-1.pdf>

All the Board members, the senior management personnel and personnel one level below the Board have confirmed compliance with the Code. All management staffs were given appropriate training in this regard.

### **Loans, guarantees and investments made by the Company**

The Company being a NBFC Company, is exempted from the provisions of Section 186 of the Companies Act, 2013. Further, the Company has given loans and made investments during the year, the detail of which are given in the notes to the financial statements.



### **Conservation of Energy, Technology Absorption**

Since the Company is an Investment Company, the particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

### **Foreign Exchange Earning and Outgo**

There is no foreign exchange earnings and outgo during the year under review.

### **Extract of Annual Return**

The extract of Annual Return for the financial year 2019-20 in Form No MGT-9 may be referred to at the Company's official website [www.scintilla.co.in](http://www.scintilla.co.in). The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-C**.

### **Managerial Remuneration**

The information required pursuant to Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is attached herewith as **Annexure-D** and forms a part of the Directors' Report.

There are no employees who are in receipt of remuneration in excess of the limit specified under section 134(3) (q) read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **RBI Guidelines for Non-Banking Financial Companies**

The Company has observed all the prudential norms prescribed by the Reserve Bank of India. The Schedule as required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2015 is appended to the Balance Sheet of the Company.

### **Provisions of Sexual Harassment**

The Company in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further, the Company has constituted an Internal Complaints Committee for redressing the complaints against sexual harassment. There was no complaint received during the year.

### **Management Discussion and Analysis Report**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations (LODR), 2015, the Management Discussion and Analysis Report is presented in separate section forming part of the Annual Report.



**Other Disclosures**

- The disclosures and reporting with respect to issue of equity shares with differential rights as to dividend, voting or otherwise is not applicable, as the Company has not issued any such shares during the reporting period.
- The disclosures and reporting on issue of shares (including sweat equity shares and Issue of Shares under Employees Stock Option Scheme) to employees of the Company under any scheme are not applicable, as the Company has not issued any such shares during the reporting period.
- The company has complied with the applicable provisions of Secretarial Standards SS-1 and SS-2 with respect to convening of Board Meetings and General Meetings during the period under review.
- There is no change in the nature of the business of the Company.

**Acknowledgement**

Your Directors take the opportunity of placing their sincere appreciation to the Central Government, State Government, Banks, Financial Institutions, employees, associates, consultants and members of the company for their valuable guidance and support. The Board expects to receive their continued support in the future as well.

**For and on behalf of the Board of Directors**

.....

**Pankaj Marda  
Managing Director  
(DIN 00420913)**

.....

**Jitendra Kumar Goyal  
Director  
(DIN 00468744)**

Place: Kolkata  
Date: 09/11/2020





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**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**INDUSTRY TREND AND DEVELOPMENT**

FY-2020 began with an expectation that the year would witness a slowdown in growth owing to a significant moderation in economic activity. Recognizing the economic headwinds, the Government of India undertook various measures to boost growth — which included a substantial tax relief to the corporate sector to boost investments. Even without the terrible effects of COVID-19, India's GDP growth was rapidly slowing down. Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistics Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in December 2019, and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing. In a similar vein, the second advance estimates of national income for FY2020 released by the CSO on 28 February 2020 was substantially lower: GDP growth for FY2020 was pegged at 5% — a decadal low — compared to 6.1% in the financial year 2018-19 (FY2019); and growth in gross value added was estimated at 4.9% in FY2020 versus 6% in FY2019. On 29 May 2020, the CSO released its estimates of GDP and GVA growth for FY2020 and the fourth quarter of FY2020. In this exercise, it also substantially revised downward its earlier estimates for the first three quarters of FY2020. GDP growth was 5.7% in January-March 2019; fell to 5.2% in April-June 2019; then yet again to 4.4% in July-September 2019; followed by 4.1% growth in October-December 2019 and 3.1% growth in January-March 2020. GDP growth for FY2020 was 4.2% — worst in the last 11 years.

**The COVID-19 pandemic and lockdown**

We are amidst unprecedented times. The COVID-19 pandemic has spread across the world — leading to well above 4.7 million confirmed infections, over 315,000 deaths, enormous human suffering and a full stop on virtually all commercial and economic activities. Even India, apparently relatively fortunate up to now, has had 101,139 confirmed cases and 3,163 deaths as per COVID-19 Situation Report-120 of World Health Organization (WHO) dated 19 May 2020. With lockdowns spreading across countries accounting for over 50% of the world's gross domestic product (GDP), COVID-19 has caused disruptions on an unimaginable scale. Nobody really knows how long the pandemic will last; whether it will increase in the winter of 2020-21 and if so how, and what will be its final toll on lives and livelihood. With the impact of this pandemic still to play out, the scenario of eerily empty high streets, shut factories and stores, and literally millions being rendered unemployed together point to a single outcome — extreme stress for the global economy of the kind not seen since the Great Depression. In India too, which implemented a lockdown since 25 March 2020, the pandemic has created shocks ripping through society and the world of business. The picture of millions of unemployed daily wage workers and their families trying to trudge back to



their villages hundreds of kilometers away; shut factories and stores; empty construction sites; and a nation being deprived of its natural economic vigor are vignettes of this scourge. After a nationwide lockdown involving 1.35 billion people over 55 continuous days, the debate is now on how to gradually open the economy without seriously risking a major spike in infections —something that India’s frail medical facility can ill cope with.

### **OPPORTUNITIES AND THREATS**

With the positive attitude of the Government and RBI, it appears that new opportunities may open up for sustained growth of Investment Companies. However, the Management is not satisfied about the future growth of the Company and constantly reviews the difficulties of the market particularly bearing in mind that the Company is a small sized NBFC and there are plenty of obstacles, which may hinder its growth.

In the past few years, the increased competition from banks in the retail finance segment has led to excess diversification by NBFCs from their core business activities. The sector has witnessed introduction of various innovative products such as used vehicles financing, small personal loans, three-wheeler financing, IPO financing, finance for tires & fuel, asset management, mutual fund distribution and insurance advisory, etc. Besides, NBFCs are aspiring to emerge as a one-stop shop for all financial services.

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The gross revenue of the Company stands at Rs. 45.90 Lakhs for the Financial Year 2019-20.

### **OUTLOOK**

As earlier stated, not only World Bank but other authorities also appear to be optimistic about the growth potential of India’s economy. The financial results of the year under review have improved and it is expected that the current year may produce even better results barring unforeseen circumstances.

Your company is fully aware that the opportunities in the infrastructure and real estate will be many and diverse in nature. While this provides impetus for our sustainable growth, your company is also duly careful that amongst the multiple choices of attractive businesses available we always make the right choice. Your company’s business model and its risk management policies and mechanism are being constantly reviewed and upgraded to ensure this.



### **RISK AND CONCERN**

As stated earlier, the Company's business is very much dependent on economic and fiscal policies of Government and RBI. The Management critically examines the ups and downs of the Market and this is a matter of constant concern for the Management. The business strategy needs to be reviewed and corrected suitably to meet the changed situation.

### **INTERNAL CONTROL SYSTEM AND THERE ADEQUACY**

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company has effective system in place for achieving efficiency in operations, optimum and affective utilization of resources, monitoring thereof and compliance with applicable laws. Comprehensive audit of functional areas and operations of the Company are undertaken to examine the adequacy of and compliance with policies, plans and statutory requirements. Significant observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

The Audit Committee of the Board of Directors comprising Independent Directors also review the system at regular intervals.

### **HUMAN RESOURCE DEVELOPMENT**

The Company continues to give priority to its human assets. The Company provides a fair and equitable work environment to all its employees. The Company is working continuously to create and nurture an atmosphere which is highly motivated and result oriented.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

The financial performance of the company has seen a positive growth compare to previous year since expenses of the company has decreased by considerable margin as compared to the last financial year. The Management expects to maintain positive result in the coming quarters.

### **INDUSTRY STRUCTURE & DEVELOPMENTS**

The Company continues to be a Non Deposit Taking, Systemically not important, and holds the RBI registration certificate in this behalf. The company has followed the RBI Norms as applicable and has complied with all the statutory obligations.



**MATERIAL DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Management maintains healthy relation with its employees at all levels. However, the number of employees in the company is low but with the growth of operations, the management believes the employee base to grow.

**CAUTIONARY STATEMENT**

Statements made in this Management Discussion and Analysis describing the Company's current position and expectations for the future may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operation include the downtrend in the industry – global or domestic or both, significant changes in political and economic environment in India.

**For and on behalf of the Board of Directors**

.....

**Pankaj Marda**  
**Director**  
**(DIN 00420913)**

.....

**Jitendra Kumar Goyal**  
**Director**  
**(DIN 00468744)**

Place: Kolkata  
Date: 09/11/2020

**Annexure-A**

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

[Pursuant to the first proviso to Sub-section (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 - AOC -1]

**Part-A: Subsidiaries**

Sl. No.	1	2
<b>Name of the subsidiary</b>	Jaimatarani Merchants Limited	Mericogold Trading Limited
<b>Reporting Period</b>	31st March, 2020	31st March, 2020
<b>Reporting currency &amp; Exchange rate</b>	INR	INR
<b>Share Capital</b>	2,00,00,000	200,00,000
<b>Reserves &amp; Surplus</b>	8,20,440.03	4,53,136.68
<b>Total Assets</b>	2,09,86,970.03	2,11,88,745.43
<b>Total Liabilities</b>	2,09,86,970.03	2,11,88,745.43
<b>Investments</b>	1,99,48,798.74	1,39,89,790.50
<b>Turnover (including other income also)</b>	91,604.31	3,11,741.76
<b>Profit/(Loss) before Tax</b>	2,021.85	29,159.36
<b>Provision for Tax</b>	-	-
<b>Profit/(Loss) After Tax</b>	(1,58,554.00)	(59,788.36)
<b>Proposed Dividend</b>	-	-
<b>% of shareholding</b>	55%	55%

**Part-B: Associates & Joint Ventures**

<b>Sl. No.</b>		Not Applicable
<b>Name of Associates</b>		
<b>Latest audited Balance Sheet Date</b>		
<b>Shares of Associates/ Joint Ventures held by the company on the year end</b>		
<b>Amount of Investment in Associates</b>		
<b>Extend of Holding %</b>		
<b>Description of how there is significant influence</b>		
<b>Reason why the associate is not consolidated</b>		
<b>Networth attributable to Shareholding as per latest audited Balance Sheet</b>		
<b>Profit/ Loss for the year</b>		
<b>Considered in Consolidation</b>	(i)	
<b>Not Considered in Consolidation</b>	(ii)	

For and on behalf of the Board of Directors

.....  
**Pankaj Marda**  
 Director  
 (DIN 00420913)

.....  
**Jitendra Kumar Goyal**  
 Director  
 (DIN 00468744)

Place: Kolkata  
 Date: 09/11/2020



**Annexure-B**

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

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

To,  
The Members,  
Scintilla Commercial & Credit Ltd  
Mercantile Building, Block-E, 2<sup>nd</sup> Floor,  
9/12, Lal Bazar Street, Kolkata – 700001, West Bengal

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Scintilla Commercial & Credit Ltd having registered office at Mercantile Building, Block-E, 2nd Floor, 9/12, Lalbazar Street, Kolkata-700001 (hereinafter called the Company). Subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic lock down while taking review after completion of financial year, Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Auditor's Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of our understanding 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. I believe that the processes and practices, I followed, provide a reasonable basis for our opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Board during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statues as mentioned hereinafter.



Wherever required I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

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

My report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness or accuracy with which the management has conducted the affairs of the Company.

**I report that,** I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, to the extent of Acts/Provisions of the Acts applicable, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations there under;
- (vi) 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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable for the period under review**);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not Applicable to the Company during the period under review**);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the period under review**);





- 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the period under review**); and
  - h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable for the period under review**).
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (vii) Other laws applicable specifically to the Company namely:
- (a) Reserve Bank of India Directions, Guidelines and Circulars applicable to the non-banking financial companies.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (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.

In respect of other laws specifically applicable to the Company, I have relied on information/records produced by the Company during the course of our audit and the reporting is limited to that extent.

**I further report that**

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



- c. Majority decision is carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.
  
- d. 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.

Place: Kolkata  
Date: 04/11/2020

Rajesh Ghorawat  
Practicing Company Secretary  
FCS No.: 7226  
C.P. No.:20897  
**UDIN: F007226B001159511**

<b>ANNEXURE-V</b>						
<b>FORM NO. MGT 9</b>						
<b>EXTRACT OF ANNUAL RETURN</b>						
<b>as on financial year ended on 31.03.2020</b>						
<b>[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management &amp; Administration) Rules, 2014]</b>						
<b>I. REGISTRATION AND OTHER DETAILS:</b>						
1.	CIN	L65191WB1990PLC048276				
2.	Registration Date	29-Jan-90				
3.	Name of the Company	Scintilla Commercial & Credit Ltd				
4.	Category/Sub-category of the	NBFC /Public Company/Limited by shares				
5.	Address of the Registered office & contact details	Mercantile Building, 2nd Floor, Block -E				
		9/12, Lal Bazar Street, Kolkata - 700001				
		E-mail - info@scintilla.co.in				
		Website - www.scintilla.co.in				
		Contact No. - 033-2248-5664				
	Corporate Office	"Jajodia Tower", 3, Bentinck Street, Room No-D-8, 4th Floor, Kolkata - 700001, West Bengal				
6.	Whether listed company	Yes				
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any	Niche Technologies Private Limited				
		D511, Bagree Market, 5th Floor				
		71, B.R.B. Basu Road, Kolkata - 700001				
		Phone No. : 91 33 2235 7270/7271				
		Fax : 91 33 2215 6823				
		Email : nichetechpl@nichetechpl.com				
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>						
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-						
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company			
1	Trading & Investment Activities	64990	89.17%			
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>						
S. No.	Name of the Company	Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Jaimatarani Merchants Limited	31, Ratu Sarkar Lane, 1st Floor, Room No.5 Kolkata - 700073	U52390WB2012PLC186401	Subsidiary	55%	2(87)(ii)
2	Mericogold Trading Limited	31, Ratu Sarkar Lane, 1st Floor, Room No.5 Kolkata - 700073	U52100WB2012PLC186402	Subsidiary	55%	2(87)(ii)

**Annexure - D**

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year are given hereunder:

Name	Designation	Remuneration Paid FY 2019-20	Remuneration Paid FY 2018-19	% increase in remuneration from previous Year	Ratio of remuneration to median remuneration of employees (including whole-time Directors)
Dipak Kumar Kejriwal (Resigned on 14.08.2019)	Managing Director	43,500	67,000	-	-
Pankaj Marda (Appointed on 12.02.2020)	Managing Director	32,667	-	-	-

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year are given hereunder:

Name	Designation	Remuneration Paid FY 2019-20	Remuneration Paid FY 2018-19	% increase in remuneration from previous Year
1. Prabhat Kumar Marda	CFO	1,80,000	93,000	-
2. Shashi Chandra Jha (Resigned on 05.07.2019)	Company Secretary	1,58,333	86,666	-
3. Ms. Aayushi Kapur (Resigned on 25.11.2019)	Company Secretary	53,333	-	-
4. Ms. Radhika Maheshwari (Appointed on 12.02.2020)	Company Secretary	17,967	-	-

- iii. The percentage of increase in the median remuneration of employees in the financial year: Not applicable.
- iv. The number of permanent employees on the role of company as on 31<sup>st</sup> March, 2019 is 3 nos.
- 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 in salaries of employees other than managerial personnel during 2019-2020	Not Applicable
The percentage increase in the Managerial Remuneration	-

- vi. Affirmation that the remuneration is as per the remuneration policy of the company: The Board of Directors of the Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**For and on behalf of the Board of Directors**

.....

**Pankaj Marda**  
**Director**  
**(DIN 00420913)**

.....

**Jitendra Kumar Goyal**  
**Director**  
**(DIN 00468744)**

Place: Kolkata

Date: 09<sup>th</sup> November, 2020



## **CORPORATE GOVERNANCE**

Corporate Governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting business. In accordance with the provisions of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, ('SEBI Listing Regulations, 2015'), given below are the corporate governance policies and practices of the Company for the Financial Year 2019-2020. This Report, states compliance with requirements of the Companies Act, 2013 ('the Act') and SEBI Listing Regulations, 2015, as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company is always committed to good Corporate Governance and application of best management practices for safeguarding the interest of all stakeholders. Strict adherence to the principles of fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, are pre-requisites for attaining sustainable growth in this competitive corporate world. Your company seeks to focus on regulatory compliances, complying with all the provisions of listing agreement and applicable Corporate Governance Norms with all the modifications within the prescribed time, thereby giving stress on essential pre-requisites of corporate governance.

We strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code for Board of Directors and Board Committees
- Code of Business Conduct and Ethics for Directors / Management Personnel
- Code of Conduct for Prohibition of Insider Trading

### **BOARD OF DIRECTORS (BOARD)**

#### *Introduction*

In keeping with the commitment of the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The main role of Board is to take right decision to safeguard and enhance shareholders value. The Board periodically evaluates the need for change in its composition



and size and selects members to fill Board vacancies and nominating candidates for election by the members at the Annual General Meeting.

*Composition and Category of Directors*

As per regulation 17(1)(a) of SEBI Listing Regulations, 2015, the board of directors shall have an optimum combination of executive and non-executive directors with at least one independent woman director and not less than fifty percent of the board of directors shall comprise of nonexecutive directors.

As on 31<sup>st</sup> March, 2020, our Board composed is composed of 5 (five) members, consisting of:

- Two Executive Director
- Three Non-Executive Independent Director.

*Attendance of each Director at the Board Meetings/last AGM, Directorship and Chairmanship/ Membership in other Board/ Board Committees*

Name and category of the Directors on the Board, their attendance at Board Meetings held during the financial year ended 31st March 2020, number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies are given below:

Name of the Directors & DIN No.	Category	No of Board Meeting		Whether attended last AGM held on 27 <sup>th</sup> September, 2019	Number of Directorship (s) held in public listed companies#	No. of Committee Positions held in public listed companies##	
		Held during the year	Attended			As Chairman	As Member
Mr. Jitendra Kumar Goyal (DIN: 00468744)	Executive Director	06	06	Yes	03	02	03
Mr. Vidhu Bhushan Verma (DIN: 00555238)	Non-Executive/Independent Director	06	06	Yes	03	02	03
Mr. Mahesh Kumar Kejriwal (DIN:07382906)	Non-Executive Independent Director	06	05	Yes	03	02	02
Ms. Ritu Agarwal (DIN: 08143534)	Non-Executive Independent Director	06	06	Yes	02	00	01





Mr. Pankaj Marda * (DIN: 00420913)	Managing Director	06	01	No	01	-	-
**Mr. Dipak Kumar Kajrewal (DIN: 08280264)	Managing Director	06	02	No	-	-	-

\*appointed with effect from 12<sup>th</sup> February, 2020

\*\* resigned with effect from 14<sup>th</sup> August, 2019

#Number includes only Public limited companies as per Companies Act, 2013.

##Only Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee have been considered.

None of the Directors held directorship in more than 10 Public Limited Companies and/or were members of more than 10 committees or acted as Chairman of more than 5 committees across all the Indian Public Limited Companies in which they were Directors.

None of the Directors served as Director in more than 8 listed Companies.

None of the Independent Directors served as an Independent Director in more than 7 listed Companies.

No shares are held by non-executive directors.

Names of the listed entities where the person is a Director and their category is listed below:

Name of Director	Name of other Listed Entity	Category of Directorship
1. Mr. Jitendra Kumar Goyal	Virat Leasing Limited	Non-Executive Director
	Decillion Finance Limited	Managing Director
	Kaushal Investment Ltd	Non-Executive Director
2. Mr. Vidhu Bhushan Verma	Decillion Finance Limited	Non-Executive Independent Director
	Kaushal Investment Ltd	Non-Executive Independent Director
3. Mr. Mahesh Kumar Kejriwal	Decillion Finance Limited	Non-Executive Independent Director
	Kaushal Investment Ltd	Non-Executive Independent Director
4. Ms. Ritu Agarwal	Kaushal Investment Ltd	Non-Executive Independent Director
5. Mr. Pankaj Marda	Kaushal Investment Ltd	Managing Director



### *Number & Dates of Board Meetings*

Six Board Meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows:

17<sup>th</sup> April, 2019, 30<sup>th</sup> May 2019, 14<sup>th</sup> August 2019, 14<sup>th</sup> September 2019, 12<sup>th</sup> December 2019 and 12<sup>th</sup> February 2020.

### *Disclosure of relationships between Directors*

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

### *Familiarization Programme*

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year. Web link giving the details of Familiarization Programme imparted to Independent Directors at <https://www.scintilla.co.in>.

### *Board Agenda*

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated seven to fourteen days prior to the Board meeting.

### *Information placed before the Board*

Necessary information as required under the Companies Act and the Listing Agreement/SEBI Listing Regulations as applicable have been placed before and reviewed by the Board from time to time. The Board also periodically reviews compliance by the Company with the applicable laws/statutory requirements concerning the business and affairs of the Company.

### *Code and Policies*

The Board has adopted all applicable codes and policies as per the requirement of the Companies Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Listing Agreement/SEBI Listing Regulations. The requisite codes and policies are posted on the Company's website at [www.scintilla.co.in](http://www.scintilla.co.in) and references to these codes and policies have been given elsewhere in this Report.



*Skills /expertise/competence of the Board of Directors*

In the opinion of the Board and the Nomination and Compensation Committee, the following is a list of core skills/expertise/competencies required in the context of the Company's business and which are available with the Board:

<b>Financial</b>	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a principal officer, principal accounting officer, controller, public accountant, auditor or person performing similar persons.
<b>Wide management and leadership experience</b>	Strong management and leadership experience including in areas of business development, strategic planning with successful multinational operations in banking, investments and finance and academic background.
<b>Functional and managerial experience</b>	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, industry knowledge, macro-economic perspectives, human resources and risk management.
<b>Diversity</b>	Diversity of thought, experience, knowledge, perspective, gender and culture.
<b>Ethics &amp; Governance</b>	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities towards employees, regulatory bodies and the communities in which it operates.
<b>Personal values</b>	Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards.

*Independent Directors*

The Independent Directors appointed on the Board fulfill the conditions specified in the regulations and are independent of the management.



## **COMMITTEES OF THE BOARD**

As on 31<sup>st</sup> March 2020, the Company had three committees of the Board of Directors – Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

The minutes of all Board and Committee meetings are placed before the Board and noted by the Directors at the Board meetings. The role, composition and terms of reference of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee including the number of meetings held during the year ended and the related attendance are as follows:

### **AUDIT COMMITTEE**

The Audit Committee of the Board comprises of three Independent Directors and an Executive Director. The Members of the Audit Committee have wide exposure and knowledge in area of finance and accounting. The role and terms of reference of the Audit Committee covers the areas mentioned under Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

*Brief descriptions of the terms of reference of the Audit Committee are as follows:*

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by them;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;



- Disclosure of any related party transactions;
  - Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, , performance of statutory auditor internal adequacy of the internal control systems; with the management
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Vigil Mechanism and Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  21. Reviewing the following information:
    - Management discussion and analysis of financial condition and results of operations;



- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor.

*Composition, Name of Members and Chairperson*

The Audit Committee of the Board as on 31<sup>st</sup> March 2020 consisted of three non-executive Independent Directors and an Executive Director namely, Ms. Ritu Agarwal, Mr. Mahesh Kumar Kejriwal, Mr. Vidhu Bhushan Verma and Jitendra Kumar Goyal respectively.

Mr. Vidhu Bhushan Verma is the Chairman of the Audit Committee, having adequate financial and accounting qualification and expertise. The other Members of the Committee are also financially literate.

*Meetings and attendance during the year*

The particulars of meetings attended by the Members of the Audit Committee during the financial year ended 31<sup>st</sup> March 2020 are given below:

Name of the Director	Category	No. of Meetings	
		Held during the year	Attended
Mr. Vidhu Bhushan Verma, Chairman	Non-Executive Independent Director	4	4
Mr. Jitendra Kumar Goyal*	Non-Executive Independent Director	4	2
Mr. Mahesh Kumar Kejriwal	Non-Executive Independent Director	4	3
Ms. Ritu Agarwal	Non-Executive Independent Director	4	4

*\*Mr. Jitendra Kumar Goyal, Executive Director was appointed on the 12<sup>th</sup> day of December, 2019, and he has attended the said meeting as an invitee to the Meeting.*

Four Meetings of the Audit Committee were held during the financial year ended 31<sup>st</sup> March 2020. The dates on which the Audit Committee Meetings were held are 30<sup>th</sup> May 2019, 14<sup>th</sup> September 2019, 12<sup>th</sup> December 2019 and 12<sup>th</sup> February 2020. All the meetings were held in such time that the gap between any two meetings did not exceed four months; thereby complying with the Companies Act, 2013.

***There have been no instances during the year where recommendations of the Audit Committee were not accepted by the board.***



## **NOMINATION & REMUNERATION COMMITTEE**

### *Brief description of terms of reference*

The role and principal terms of reference of the Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations are as follows:

- (i) to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment/removal.
- (ii) formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees;
- (iii) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (iv) to carry out evaluation of every Director's performance;
- (v) to devise a policy on Board diversity;
- (vi) whether to extend or continue the term of appointment of Independent Director on the basis of performance evaluation of Independent Directors;
- (vii) recommend to the Board, all remuneration, in whatever form, payable to senior management.

### *Composition, Name of Members and Chairperson*

The Nomination and Remuneration Committee of the Board as on 31<sup>st</sup> March 2020 comprised of Mr. Vidhu Bhushan Verma, a Non-Executive Independent Director, as the Chairman, Ms. Ritu Agarwal & Mr. Mahesh Kumar Kejriwal, Non-Executive Independent Directors as its Members.

### *Meetings and attendance during the year*

The particulars of meetings attended by the Members of the Nomination and Remuneration Committee during the financial year ended 31<sup>st</sup> March 2020 are given below

Name of the Director	Category	No. of Meetings	
		Held during the year	Attended
Mr. Vidhu Bhushan Verma, Chairman	Non-Executive Independent Director	3	3
Mr. Mahesh Kumar Kejriwal	Non-Executive Independent Director	3	3
Ms. Ritu Agarwal	Non-Executive Independent Director	3	3





The Nomination and Remuneration Committee met three times during the year 2019-20 on 17<sup>th</sup> April, 2019, 14<sup>th</sup> August, 2019, and 12<sup>th</sup> February, 2020.

*Performance evaluation criteria for independent Directors*

The Nomination and Remuneration Committee had carried out the process of evaluation of the performance of every Director in accordance with their terms of reference and the requirements of Companies Act, 2013.

The performance of the Independent Directors is evaluated on the basis of the following parameters:

- (a) Qualifications, (b) Experience, (c) Knowledge and Competency, (d) Fulfillment of functions, (e) Ability to function as a team, (f) Initiative, (g) Availability and attendance, (h) Commitment, (i) Contribution, (j) Integrity, (k) Independence and (l) Independent views and judgment

*Meeting and attendance during the year*

During the financial year ended 31<sup>st</sup> March 2020 one Meeting of the Independent Directors held on 12<sup>th</sup> February, 2020 and the attendances are as follows:

Name of the Director	Category	No. of Meetings	
		Held during the year	Attended
Mr. Vidhu Bhushan Verma	Non-Executive Independent Director	1	1
Ms. Ritu Agarwal	Non-Executive Independent Director	1	1
Mr. Mahesh Kumar Kejriwal	Non-Executive Independent Director	1	1

Mr. Vidhu Bhushan Verma was elected as the Lead Independent Director. In the meeting, the Directors reviewed the performance of Non-Independent Directors and the Board as a whole taking into account the views of Executive Directors and Non-Executives Director and assessed the quality, quantity and the timeliness of flow of information between the Management and the Board.

**REMUNERATION OF DIRECTORS**

- a) *Pecuniary Relationship or transactions of the Non-Executive Directors/criteria of making payments to Non-Executive Directors*

The Company has neither any pecuniary relationship and/or transaction with its Non-Executive & Independent Directors nor any payment of sitting fees to them for attending Board Meetings, Committee Meetings and separate Meeting of Independent Directors. Even they did not get any Commission for their valuable services to the Company.



b) *Remuneration package/ Remuneration paid to Directors*

The Executive Directors were paid salary during the Financial Year according to the Nomination & Remuneration Policy of the Company.

c) Non-Executive Directors and Independent Directors are not paid any sitting fees and commission.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

*Brief description of terms of reference*

- To approve all transfers (including transmission, transposition, remat) requests received.
- To review action taken on shareholder’s grievances and to advise if any further action to be taken.
- To ensure that correspondence with the shareholders are promptly dealt with by the Company and no cases were pending as on 31st March, 2020.

Shares received for transfer are processed promptly, approved by the Committee and ratified at the following Board Meeting.

*Name of Non-Executive Director heading the Committee/Composition of the Committee*

Stakeholder Relationship Committee of the Board as at 31<sup>st</sup> March, 2020 consisted of Mr. Vidhu Bhushan Verma, a Non-Executive Independent Director, as the Chairman, Ms. Ritu Agarwal and Mr. Mahesh Kumar Kejriwal both Non-Executive and Independent Directors were other Members of the Committee.

*Name and designation of Compliance Officer*

Mr. Anand Malakar, Company Secretary is the Compliance Officer for Redressal of shareholders’/investors’ complaints. The Company has a designated Email ID **info@scintilla.co.in** for grievance Redressal purpose where complaint can be lodged by the shareholders.

*Details of Shareholders’/Investors’ Complaints*

During the Financial Year ended 31<sup>st</sup> March 2020, nil complaints were received from the Shareholders/Investors.

The details are as under-

Opening as on 1st April 2019	Nil
Received during the year	Nil
Resolved during the year	Nil
Closing/Pending as on 31st March 2020	Nil



*Meetings and Attendance during the year*

During the financial year one Meeting of the Stakeholders' Relationship Committee were held on 12<sup>th</sup> February, 2020 and the attendances of Members are as follows:

Name of the Director	Category	No. of Meetings	
		Held during the year	Attended
Mr. Vidhu Bhushan Verma, Chairman	Non-Executive Independent Director	1	1
Ms. Ritu Agarwal	Non-Executive Independent Director	1	1
Mr. Mahesh Kumar Kejriwal	Non-Executive Independent Director	1	1

**COMPLIANCE OFFICER**

The Company has designated Mr. Anand Malakar, Company Secretary of the Company as Compliance Officer.

Mr. Anand Malakar, Company Secretary  
Address: "Mercantile Building"  
9/12, Lal Bazar Street, 2nd Floor,  
Block-E, Kolkata - 700 001  
Phone Nos.: (033) 2248-5664  
Email: info@scintilla.co.in  
Website: www.scintilla.co.in

**CORPORATE SOCIAL RESPONSIBILITY**

Provision of Section 135 of the Companies Act, 2013 i.e. Corporate Social Responsibility is not applicable to the company.

**GENERAL BODY MEETINGS**

*a) Location and time of last three Annual General Meeting*

Financial Year ended	Date	Time	Venue
31.03.2017	25.09.2017	10:00 A.M.	Oswal Chamber, Eitma, 5th Floor, 2 Chrch Lane, Kolkata-700001
31.03.2018	29.09.2018	1:00 P.M.	Oswal Chamber, Eitma, 5th Floor, 2 Chrch Lane, Kolkata-700001
31.03.2019	27.09.2019	2:00 P.M.	Oswal Chamber, Eitma, 5th Floor, 2 Chrch Lane, Kolkata-700001



b) *Special Resolution passed in the previous three AGMs*

<b>AGM held on</b>	<b>Special Resolution passed</b>
29.09.2016	Special Resolution pursuant to subject to the provisions of the Companies Act, 1956 and 2013, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the company seek voluntarily delisting of its securities from Calcutta Stock Exchanges.
25.09.2017	None
29.09.2018	None
27.09.2019	Pursuant to the provisions of section 149, 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (LODR) Regulation, 2015 and on the recommendation of the Nomination & Remuneration Committee and the Board, Mr. Vidhu Bhushan Verma (DIN: 00555238), be and is here by re-appointed as an Independent Director of the Company to hold office for further 5 (five) consecutive year up to the conclusion of 35 <sup>th</sup> AGM of the Company to be held for the Financial Year 2023-24, not liable to retire by rotation.

c) *There was no Resolution passed through Postal Ballot during the year ended 31<sup>st</sup> March 2020.*

d) *No Special Resolution is proposed to be conducted through Postal Ballot.*

**MEANS OF COMMUNICATION**

The Company regularly interacts with the Shareholders through multiple ways of communication such as Results announcement, Annual Report, and through Company's website and specific communications.

a) *Quarterly Results/Newspaper wherein Results normally published*

Quarterly, half-yearly and annual results are published in prominent dailies, which inter alia, include Business Standard (English), and Kalantar/Ekdin, Duranta Varta (Bengali) in the form prescribed by the Stock Exchanges in the Listing Regulations.

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed to BSE Listing Centre through online filing and CSE through e-mail for dissemination on their respective websites.



b) Website

The Financial Results are also made available on the website of the Company [www.scintilla.co.in](http://www.scintilla.co.in). Information relating to the Company, its performance and information updates as and when made are displayed on the Company's website and also sent to the Stock Exchanges to enable them to put the same on their own websites.

**GENERAL SHAREHOLDER INFORMATION**

a) 31<sup>st</sup> Annual General Meeting

**Date and Time:** 23<sup>rd</sup> December, 2020 (Wednesday) at 1:00 P.M.

**Venue:** "Oswal Chambers", 5<sup>th</sup> Floor, 2 Church Lane, Kolkata-700001

b) Financial Year

1st April, 2019 to 31st March, 2020

c) Name and address of Stock Exchanges/ Payment of annual Listing Fee

The Company's Shares are listed at the following Stock Exchanges and the Annual Listing Fees for the year 2019-2020 have been paid to all these Stock Exchanges.

Name and address of Stock Exchanges	
BSE Limited [BSE]	P. J. Towers, 25th Floor, Dalal Street, Mumbai – 400 001
The Calcutta Stock Exchange Limited [CSE]	7 Lyons Range, Kolkata – 700001

d) Demat ISIN Number for NSDL & CDSL - **INE892C01018**

e) **Market Price Data**

Monthly High/Low price during the last financial year at the Bombay Stock Exchange is as under:

Months	Share Price		Months	Share Price	
	High	Low		High	Low
April, 2019	Since trading has not been done during these months, High Low prices could not be ascertained.		October, 2019	Since trading has not been done during these months, High Low prices could not be ascertained.	
May, 2019					
June, 2019					
July, 2019					
August, 2019					
September, 2019					
			March, 2020	8.77	8.77

f) Registrar and Share Transfer Agents

M/s. Niche Technologies Pvt. Ltd.  
 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700 017  
 Tel : (033) 2280 6616/6617/6618  
 Fax : (033) 2280 6619  
 E-Mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

g) *Share Transfer System*

The requests for transfer of shares held in physical mode should be lodged at the Corporate Office of the Company's Registrar & Share Transfer Agents, M/s. Niche Technologies Pvt. Ltd. (Registered with SEBI), 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700 017 or at the Registered Office of the Company. Share Transfers are registered and returned in the normal course within an average period of 14 days, if the transfer documents are found technically in order and complete in all respects. The Company conducts a weekly review of the functions of the Registrar and Share Transfer Agent for upgrading the level of service to the Shareholders. Weekly review is also conducted on the response to the Shareholders pertaining to their communication and grievances, if any.

h) *Distribution of Shareholding as on 31st March, 2020*

Share Holding	No. of Holder	Percentage of Shareholders	No of Shares	Percentage of Shares
1 to 500	433	37.6195	71,865	0.7167
501 to 1000	186	16.1599	1,47,050	1.4664
1001 to 5000	330	28.6707	8,47,701	8.4535
5001 to 10000	86	7.4718	6,53,624	6.5181
10001 to 50000	88	7.6455	21,03,052	20.9723
50001 to 100000	10	0.8688	7,64,978	7.6286
100001 and above	18	1.5639	54,39,507	54.2444
<b>Total</b>	<b>1151</b>	<b>100.00</b>	<b>1,00,27,777</b>	<b>100.00</b>

Shareholding Pattern as on 31<sup>st</sup> March, 2020

Category	No. of Shares	% of holding
Promoter & Promoter Group	18,86,489	18.813
Bodies Corporate	46,59,439	46.465
Individuals	34,60,220	34.507
NRI/OCBs	0	0.000
Trust	14,300	0.143
Clearing Members	7,329	0.073
<b>Total</b>	<b>1,00,27,777</b>	<b>100</b>

i) *Dematerialization of shares and liquidity*

The Company's Shares form part of the SEBI's Compulsory Demat segment for all Shareholders/investors. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] through the Registrar, **M/s. Niche Technologies Pvt. Ltd.** 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700 017. Requests for



dematerializations of shares are processed and confirmations are given to the respective Depositories within the prescribed time. 69.69% Shares of the Company are in dematerialized form.

*j) Outstanding GDRs or ADRs or Warrants or any Convertible Instruments, conversion date and likely impact on equity*

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

*k) Address for correspondence*

Any assistance regarding share transfers and transmission, change of address, non-receipt of share certificate/duplicate share certificate, demat and other matters for redressal of all share-related complaints and grievances, the Members are requested to write to or contact the Registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matter relating to their shareholding in the Company at the addresses given below:

The Company's Registered Office at:

Scintilla Commercial & Credit Limited  
(CIN): L65191WB1990PLC048276  
Mercantile Building, Block-E, 2nd Floor, 9/12, Lalbazar Street, Kolkata – 700001  
Tel: 033-2248-5664, 2246-9601  
E-Mail: [info@scintilla.co.in](mailto:info@scintilla.co.in)

The Company's Corporate Office at:

Scintilla Commercial & Credit Limited  
(CIN): L65191WB1990PLC048276  
Jajodia Tower, 3, Bentinck Street, 4<sup>th</sup> Floor, Room No. D-8, Kolkata – 700001  
Tel: 033-2248-5664, 2246-9601  
E-Mail: [info@scintilla.co.in](mailto:info@scintilla.co.in)

Registered and Share Transfer Agents

M/s. Niche Technologies Pvt. Ltd.  
3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700 017  
Tel: (033) 2280 6616/6617/6618  
Fax: (033) 2280 6619  
E-Mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

In case of any difficulty, the Compliance Officer at the Registered Office of the Company may be contacted.

**OTHER DISCLOSURES**

a) *Disclosures on materially significant related party transactions having potential conflict:* Nil





b) *Compliance of Laws & Regulations relating to Capital Markets*

The Company has complied with all the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the financial year. However, there was a notice received by the company from BSE regarding issue related to shell companies and in this regard, Forensic Audit is under process.

c) *Whistle Blower Policy/Vigil Mechanism*

The Company has a Whistle Blower Policy, which is available at the Company's website at the web link at [https://www.scintilla.co.in/pdf/policy/whistle\\_blower.pdf](https://www.scintilla.co.in/pdf/policy/whistle_blower.pdf) and no personnel has been denied access to the Audit Committee.

d) *Accounting treatment in preparation of financial statements*

The Company followed the guidelines as laid down in the Indian Accounting Standards/Accounting Standard, prescribed by the Institute of Chartered Accountants of India, for the preparation of the financial statements and there is no deviation from it in general.

e) *Subsidiary Company*

The Company does not have material Indian subsidiary whose turnover or networth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

As on 31<sup>st</sup> March, 2020 the Company has following unlisted Indian subsidiary companies:

1. Jaimatarani Merchants Limited
2. Mericogold Trading Limited

The subsidiaries of the Company are managed by its Board while the Company monitors performance of the subsidiaries in the following manner:

- The Financial Statements are regularly presented by the subsidiary Companies;
- All major investments/transactions are reviewed on quarterly basis and / or as and when need arises.
- The Financial Statements including particulars of investments made by all the significant transaction of all the unlisted subsidiary companies are reviewed by the audit committee.



The minutes of the subsidiary companies as well as statement of significant transactions and arrangements entered into by the subsidiary companies are placed before the Board Meeting for their review.

The Company has adopted a policy for determining material subsidiaries and the same is disclosed at the Company's website at [www.scintilla.co.in](http://www.scintilla.co.in).

f) The Company has framed a policy dealing with related party transaction and the same is disclosed at the Company's website at [www.scintilla.co.in](http://www.scintilla.co.in).

g) *Certificate by Practicing Company Secretary*

The Company has received certificate from Mr. Rajesh Ghorawat, Practising Company Secretary, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority. The said certificate forms part of this Annual Report.

h) The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor is Rs. 27,500/- per annum.

i) *Sexual Harassment Policy*

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during each Calendar year:

- No. of complaints received: NIL
- No. of complaints disposed off: NIL

### **COMPLIANCE WITH MANDATORY REQUIREMENTS**

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with 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

The Quarterly Compliance Report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the prescribed format as per SEBI Regulation duly signed by the Company Secretary or Director.

### **COMPLIANCE WITH DISCRETIONARY REQUIREMENTS**



The Company has also ensured the implementation of non-mandatory items such as:

- a) We display our quarterly and half-yearly financial results on our web site [www.scintilla.co.in](http://www.scintilla.co.in) and publish our financial results in widely circulated newspapers. We publish the voting results of shareholder meetings and make it available on our website [www.scintilla.co.in](http://www.scintilla.co.in) and report the same to Stock Exchanges in terms of Regulation 44 of the Listing Regulations.
- b) The Auditors have issued an un-modified opinion on the financial statements of the Company.
- c) The internal auditor is directly reporting to the Audit Committee.

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

The Company has obtained Compliance Certificate from M/s C. K. Chandak & Co., Chartered Accountants regarding compliance of conditions on Corporate Governance and the same is attached to this report.

**For and on behalf of the Board of Directors**

.....

**Mr. Pankaj Marda**  
**Director**  
**(DIN 00420913)**

.....

**Jitendra Kumar Goyal**  
**Director**  
**(DIN 00468744)**

Place: Kolkata

Date: 09/11/2020



**CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To  
The Board of Directors  
Scintilla Commercial & Credit Limited

In terms of Regulation-17(8) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we the undersigned, in our respective capacities as Managing Director and Chief Financial Officer (CFO) of Scintilla Commercial & Credit Limited to the best of our knowledge and belief, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year 2019-20 (hereinafter referred to as 'Year') and to the best of our knowledge and belief–
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We hereby declare that all members of the Board of Directors and Management Committee have confirmed compliance with the code of conduct as adopted by the company.
- (d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (e) We have indicated, based on our recent evaluation, wherever applicable to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) that I have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.



**SCINTILLA COMMERCIAL & CREDIT LTD**

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For and on behalf of the Board

Pankaj Marda  
Managing Director  
DIN: 00420913

Prabhat Kumar Marda  
Chief Financial Officer  
PAN: AEXPM8403Q

Place: Kolkata  
Date: 09/11/2020



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

This is to confirm that the Company has Code of Conduct to be followed by the Members of the Board and Senior Management Personnel of the Company. Code is available on the Company's website at [www.scintilla.co.in](http://www.scintilla.co.in). I confirm that the Company has, in respect of the financial year ended 31<sup>st</sup> March 2020, received from the Members of the Board and Senior Management Personnel, a Declaration of Compliance with the Code of Conduct as applicable to them.

**For Scintilla Commercial & Credit Ltd**

**Jitendra Kumar Goyal**  
**Director**  
**(DIN 00468744)**

**Place: Kolkata**

**Date: 09/11/2020**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members of  
**Scintilla Commercial & Credit Ltd.**  
Mercantile Building, Block-E, 2nd Floor,  
9/12, Lalbazar Street,  
Kolkata-700 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Scintilla Commercial & Credit Ltd. (CIN - L65191WB1990PLC048276) and having its Registered Office at Mercantile Building, Block-E, 2nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic Lockdown.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> 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.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Jitendra Kumar Goyal	<a href="#">00468744</a>	29/01/1990
2.	Mr. Vidhu Bhushan Verma	<a href="#">00555238</a>	30/09/2013
3.	Mr. Mahesh Kumar Kejriwal	<a href="#">07382906</a>	06/10/2016
4.	Mrs. Ritu Agarwal	<a href="#">08143534</a>	30/05/2018
5.	Mr. Pankaj Marda	<a href="#">00420913</a>	12/02/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my 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.



Place: Kolkata  
Date: 22/10/2020

**Rajesh Ghorawat**  
Practicing Company Secretary  
FCS No.: 7226  
C.P. No.: 20897  
**UDIN:** F007226B001037035





**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**Scintilla Commercial & Credit Ltd**

1. This certificate is issued in accordance with the terms of our engagement.
2. We, C. K. Chandak & Co, Chartered Accountants, the statutory auditors of Scintilla Commercial & Credit Ltd ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.



8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Restriction on Use**

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For C K Chandak & Co.**

Chartered Accountants

FRN: 326844E

(C. K. Chandak)

Place: Kolkata

Date: 09/11/2020

Proprietor

Membership No.: 054297

**UDIN: 20054297AAAALK4947**

# **INDEPENDENT AUDITOR'S REPORT**

**TO  
THE MEMBERS OF SCINTILLA COMMERCIAL & CREDIT LIMITED**

**REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS**

## **Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of **Scintilla Commercial & Credit Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 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 notes to the Ind AS Financial Statements, including 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 Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income (which is Nil), its cash flows and the changes in equity for the year ended on that date.

## **Basis for Opinion**

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

## **Emphasis of Matter**

We draw attention to Note no. 5.11 of standalone financial statements which explains the uncertainties and management's assessment of the financial impact due to the prevailing situation related to the Covid-19 pandemic on the future performance of the Company.

Our opinion is not modified in respect of above matter

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the

standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of risks of material misstatement of the standalone Ind AS financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

**Description of Key Audit Matter**  
**Transition to Ind AS accounting framework (as described in note 8 and note 30(1) of the Ind AS financial statements)**

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>In accordance with the roadmap for implementation of Indian Accounting Standards (Ind AS) for non-banking financial companies, as announced by the Ministry of Corporate Affairs ('the MCA'), the Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods upto and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP"). In order to give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and</p>	<p><b><u>Our audit procedures included:</u></b></p> <p>In our audit approach, we assessed the impact of the transition to Ind AS and discussed with the management regarding the policies and procedures adopted for such transition. Our audit procedures included:</p> <ol style="list-style-type: none"> <li>1) Read the Ind AS impact assessment performed by the management and the resultant changes made to the accounting policies considering the requirements of the new framework.</li> <li>2) Assessed the judgement exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of assets and liabilities existing as at transition date.</li> <li>3) Read changes made to accounting policies and estimates in light of the requirements</li> <li>4) We understood the financial statement closure process and the additional controls established by the Company for transition to Ind AS.</li> <li>5) Assessed the judgement applied by the Company in determining its business model for classification of financial assets.</li> <li>6) Tested the accounting adjustments posted as at the transition date and in</li> </ol>

	<p>the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS.</p> <p>The transition has involved significant changes in the Company's financial reporting policies and processes, including generation of reliable and supportable financial information. Further the management has exercised significant judgement for giving an appropriate effect of the first-time adoption principles of Ind AS 101, as at transition date and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under relevant accounting standards, to the extent applicable.</p> <p>In view of the material impact and complexities and significant judgement involved in implementing Ind AS, we have focused on this area in our audit.</p>	<p>respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</p> <p>7) Assessed the judgement applied by the Company in respect of areas where the accounting treatment adopted or the disclosures made under the new accounting framework were inconsistent with the extant RBI Directions.</p> <p>8) Assessed disclosures made by the management for compliance with Ind AS.</p>
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**Provision for Expected Credit Losses (ECL) on Loans (refer note no 5.2(f), note no. 11 note no. 31(1)(a) and note no. 33(1) to the Standalone Financial Statements)**

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
2.	<p>Management estimates impairment provision using Expected Credit loss model for the loan assets. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p> <p>Timely identification and classification of the impaired</p>	<p><b><u>Our audit procedures included:</u></b></p> <p>1) In our audit approach we assessed the basis upon which the ECL model is build and discussed with the management of the Company in order to understand the mechanics of ECL deployed by the company to measure the loan impairment.</p> <p>2) We examined that Board does not have approved policy for computation of ECL,</p>

<p>loans.</p> <p>Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the premise that loans made by the company are unsecured and relevant factors</p> <p>The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgments and estimates. Following are points with increased level of audit focus:</p> <ul style="list-style-type: none"> <li>➤ Classification of assets to stage 1, 2 or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's Covid-19 regulatory circulars.</li> <li>➤ Accounting interpretations, assumptions and data used to build the models;</li> <li>➤ Inputs and judgements used by the management at various assets stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the Covid-19 pandemic</li> <li>➤ The disclosures made in the financial statements for ECL especially in relation to judgements and estimates made by the management in determination of the ECL.</li> </ul> <p>Considering the significance of</p>	<p>but have in place the internal guidelines for computation of ECL. These internal guidelines address procedures and controls for assessing and measuring the credit risk on its loan portfolio.</p> <ol style="list-style-type: none"> <li>3) We evaluated the operating effectiveness of controls across the process relevant to ECL including the judgments and estimates.</li> <li>4) We evaluated the nature of loan assets of the company and held discussions with the management and assessed that the company has only one class of loan i.e. unsecured loans repayable on demand and 12 month ECL is just the same as lifetime ECL, because the all the loans are repayable on demand, which is shorter than 12 months as a result life time of a loan is that short period required to transfer cash when demanded by the company.</li> <li>5) We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2020 by reconciling it with the balances as per loan balance register as on date.</li> <li>6) We tested assets on sample basis to verify that they were allocated to the appropriate stage.</li> <li>7) For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD</li> <li>8) For forward looking assumptions used in ECL calculations, we held discussions with management, assessed the assumptions used to determine the probability weights assigned to the possible outcomes. During our examination we assessed that company the company estimates the PD based on historical observed default rates adjusted for forward looking estimates, based upon macro-economic developments occurring in the economy and market it operates in.</li> <li>9) We performed an overall assessment of the ECL provision including the management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk</li> </ol>
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	<p>such allowances to the overall financial statements and degree of judgement and estimation involved in computation of expected credit losses, this area is considered as key audit matter.</p>	<p>management practices and the macro-economic environment. We held discussions with the management on its assessment on Covid-19 impact and we assessed that management does not expect any significant hair cuts in view of Covid-19. However, we could not assess the appropriateness of the future scenarios and assumptions made by the management in response to Covid-19 related economic uncertainty as we do not have the access of the detailed data (like Income tax returns, financial statements, projected financial statements, cash flow statements etc.) of the borrowers of the company.</p> <p>10) We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to judgements used in estimation of ECL provisions.</p>
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**Statutory and Legal Matters (Refer Note no. 30(2)(c))**

<b>Sr. No.</b>	<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
3.	<p>The Company received a notice from BSE dated August 10, 2017 regarding issue related to suspected shell companies. BSE requested to submit various documents from time to time in this regard along with the queries and other information from the Company. Further BSE appointed M/s BDO India LLP, Chartered Accountants to carry out the forensic audit of the Company. The Company replied to all the queries issued by the BSE and provided all the necessary information /documents to the forensic auditors in this regard., and the matter is sub-judice as on March 31, 2020</p>	<p><b><i>Our audit procedures included:</i></b></p> <ol style="list-style-type: none"> <li>1) We have checked up the order of the BSE issued pursuant to the SEBI's aforesaid directions and other relevant correspondence with the BSE and with the forensic auditors appointed by the BSE in this regard since inception.</li> <li>2) We have also checked all the relevant legal petitions, applications, affidavits, rejoinders, inter- locutory applications as filed by the Company with Hon'ble High Court at Kolkata.</li> <li>3) We communicated with the Management and those charged with Governance with respect to this matter and the Company is regular in replying to all the queries raised and all the documents sought by the Exchange (BSE) and by the forensic auditors. The forensic audit is in process and the matter is subjudice at present.</li> </ol>

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises of the Annual report, but does not include the standalone financial statements, and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information' in relation to other information in documents containing audited financial statements. We have nothing to report in this regard.

### **Responsibilities of Management 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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



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

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

- *Identify and assess the risks of material misstatement of the 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 statements in place and the operating effectiveness of such controls.
- *Evaluate the appropriateness of accounting policies used* and the reasonableness of accounting estimates and related disclosures made by management.
- *Conclude on the appropriateness of management's use of the going concern basis of accounting* and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- *Evaluate the overall presentation, structure and content of the Ind AS financial statements*, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 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 Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity of dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind As Financial Statements comply with the Accounting Standards 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 as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to 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 as at March 31, 2020 - (Refer Note 30(2) 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 during the year ended March 31, 2020
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 3) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

For and on behalf of

**C.K. CHANDAK & CO**

Chartered Accountants

Firm Registration Number: 326844E

**CA Chandra Kumar Chandak**

Partner

Membership Number: 054297

UDIN: 20054297AAAADF6504

Place: Kolkata

Date: 30.07.2020

## **Annexure –“A” to the Independent Auditors’ Report on the Standalone Financial Statements**

[Referred to in Paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the Members of Scintilla Commercial & Credit Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2020].

### **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 controls with reference to standalone financial statements of **Scintilla Commercial & Credit Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“the 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 with reference to financial statements 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”) issued by the Institute of Chartered Accountants of India (“the ICAI”) and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effective 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 with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

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

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements 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 the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

For and on behalf of

**C.K. CHANDAK & CO**

Chartered Accountants

Firm Registration Number: 326844E

**CA Chandra Kumar Chandak**

Proprietor

Membership Number: 054297

UDIN: 20054297AAAADF6504

Place: Kolkata

Date: 30.07.2020

**Annexure –“B” to the Independent Auditors’ Report on the Standalone Financial Statements**

**[Referred to in Paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the Members of Scintilla Commercial & Credit Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2020].**

- i. (a) Based on our scrutiny of the Company’s Books of Accounts and other records and according to the information and explanation received by us from the management, we are of opinion that the question of commenting on the maintenance of proper records of fixed assets, physical verification of fixed assets and title of fixed assets including immovable properties does not arise since the Company had no fixed assets as on 31.03.2020.
- ii. The Company is in the business of lending and Investments in shares and securities and consequently does not hold any tangible inventory. However, shares and securities held as stock-in trade comprises the intangible inventory for the company. The inventory comprises of securities held as stock-in trade are verified by the management with the confirmation statements received from the depository on a regular basis. In our opinion, the frequency of such verification is reasonable. The Company is maintaining proper records of securities held as stock-in trade and no discrepancies were noticed on comparing the statement from custodian with books of account.
- iii. The Company has granted unsecured loans repayable on demand to companies and other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company. The Schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment is regular.
  - (b) The aforesaid loans are repayable on demand, accordingly, provision of Clause 3(iii) (b) and (c) of the Order are not applicable to the Company.
- iv. Based on information and explanations given to us, in respect of loans and investments, the Company has complied with the provisions of Section 185 and 186 of the Companies Act as applicable.
- v. The Company has not accepted any deposits from public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence Clause (v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records for any of the products or services of the Company under Sub-section (1) of Section 148 of the Act and rules framed there under. Hence Clause (vi) of the Order is not applicable.

- vii. (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including, Income tax, provident fund, employees state insurance, Goods and Services tax, cess and other statutory dues applicable to it and the extent of the arrears of outstanding dues as on the last day of the financial year concerned were not for a period of more than six months from the date they became payable.

As informed, the provisions of provident fund, employees state insurance and goods and services tax are currently not applicable to the Company.

- (b) However according to information and explanation given to us, the following dues of Income tax have not been deposited by the Company on account of disputes.

Name of Statute	Nature of dues	Amount under dispute	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax and Interest	Rs 189160/-	A.Y 2014-15	CIT(Appeals)

- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standard.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause (xiv) of this Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause (xv) of the Order are not applicable to the Company.



- xvi. According to the information and explanations given to us, the Company is a Non deposit taking Systematically not important Non-Banking Financial Company and is duly registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of

**C.K. CHANDAK & CO**

Chartered Accountants

Firm Registration Number: 326844E

**CA Chandra Kumar Chandak**

Proprietor

Membership Number: 054297

UDIN: 20054297AAAADF6504

Place: Kolkata

Date: 30.07.2020

**SCINTILLA COMMERCIAL & CREDIT LIMITED**

**BALANCE SHEET as at 31st March, 2020, 2019 and April 1, 2018**

(Rs 'In 000)

Particulars	Note No.	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
<b>I. ASSETS</b>							
<b>(1) Financial Assets</b>							
(a) Cash and cash equivalents	9	164.24		364.20		782.92	
(b) Receivables	10						
(i) Trade receivables		-		625.00		-	
(c) Loans	11	59,410.10		56,521.42		60,190.00	
(d) Investments	12	38,353.05		40,700.07		37,967.93	
(e) Other financial assets	13	0.74	97,928.13	8.79	98,219.47	-	98,940.85
<b>(2) Non-Financial Assets</b>							
(a) Current tax assets (net)	14	751.40		692.21		299.81	
(b) Deferred tax assets (net)	15	797.09	1,548.49	750.88	1,443.10	645.25	945.06
<b>Total Assets</b>			<b>99,476.62</b>		<b>99,662.56</b>		<b>99,885.91</b>
<b>II. LIABILITIES AND EQUITY</b>							
<b>Liabilities</b>							
<b>(1) Financial Liabilities</b>							
Payables	16						
(a) Trade payables							
(i) total outstanding dues of micro enterprises and small enterprises		-		-		-	
(i) total outstanding dues of creditors other than micro enterprises and small enterprises		-		-		-	
(c) Borrowings (other than debt securities)	17	-	-	-	-	1.62	1.62
<b>(2) Non-Financial Liabilities</b>							
(a) Other non-financial liabilities	18	164.11	164.11	158.49	158.49	115.90	115.90
<b>Total Liabilities</b>			<b>164.11</b>		<b>158.49</b>		<b>117.52</b>
<b>(3) Equity</b>							
(a) Equity share capital	19	1,00,277.77		1,00,277.77		1,00,277.77	
(b) Other equity	20	-965.26		-773.69		(509.38)	
<b>Total Equity</b>			<b>99,312.51</b>		<b>99,504.08</b>		<b>99,768.39</b>
<b>Total Liabilities and Equity</b>			<b>99,476.62</b>		<b>99,662.56</b>		<b>99,885.91</b>
			0		0		0
<b>Corporate Information</b>	1	The accompanying notes 1 to 33 are an integral part of the standalone financial statements					

As per our report of even date attached

For and on behalf of the Board of Directors

For C.K. CHANDAK & CO.  
Chartered Accountants  
Firm Registration No: 326844E

Sd/-  
CA Chandra Kumar Chandak  
Proprietor  
Membership No- 054297  
Place of Signature : Kolkata  
Date : 30/07/2020

Sd/-  
Radhika Maheswari  
Company Secretary

Sd  
Prabhat Marda  
Chief Financial Officer

Sd/-  
Jitendra Kumar Goyal  
Director

Sd/-  
Pankaj Marda  
Managing Director

**SCINTILLA COMMERCIAL & CREDIT LIMITED**  
**STATEMENT OF PROFIT AND LOSS for the years ended 31st March 2020 and 2019 (Rs in '000)**

Particulars	Note No	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue from operations</b>			
i) Interest income	21	4,589.76	4,975.59
ii) Net gain on fair value change	22	-	-
iii) Other operating income	23	0.74	1.47
<b>I Total Revenue from operations</b>		<b>4,590.50</b>	<b>4,977.06</b>
II Other Income	24	21.50	127.35
<b>III Total Income(I+II)</b>		<b>4,611.99</b>	<b>5,104.41</b>
<b>Expenses:</b>			
i) Net loss on fair value change	22	1,072.01	2,607.86
ii) Impairment of financial instruments	25	250.78	-
iii) Employee benefit expense	26	784.36	601.85
iv) Other expenses	27	2,742.61	2,251.00
<b>IV Total Expenses</b>		<b>4,849.76</b>	<b>5,460.72</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>(237.77)</b>	<b>(356.31)</b>
VI Exceptional Items		-	-
<b>VII Profit/(Loss) before tax (V + VI)</b>		<b>(237.77)</b>	<b>(356.31)</b>
<b>VIII Tax expense :</b>	28		
(1) Current tax		-	13.63
(2) Deferred tax		-46.21	-105.63
(3) Tax adjustment for earlier years			
<b>Total tax expense</b>		<b>-46.21</b>	<b>-92.00</b>
<b>IX Profit/(Loss) for the period from continuing operations (VII - VIII)</b>			
<b>X Profit/(Loss) for the year</b>		<b>(191.56)</b>	<b>(264.31)</b>
<b>XI Other Comprehensive Income / Loss</b>	29		
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be recycled to profit or loss		-	-
<b>Total other Comprehensive Income / Loss</b>		<b>-</b>	<b>-</b>
<b>XII Total Comprehensive Income for the year (X + XI)</b>		<b>(191.56)</b>	<b>(264.31)</b>
<i>(Comprising of profit/(loss) and other comprehensive income/(loss) for the year)</i>			
<b>XII Earnings per equity share</b>			
<i>(Nominal value per share Rs 10 /-)</i>			
Basic and diluted (Refer Note no 30 (6))		<b>(0.02)</b>	<b>(0.03)</b>
<b>Number of shares used in computing earnings per share</b>			
Basic and diluted (Refer Note no 30 (6))		<b>1,00,27,777</b>	<b>1,00,27,777</b>
<b>Corporate Information</b>	1		
<b>The accompanying notes 1 to 33 are an integral part of the consolidated financial statements</b>			

As per our report of even date attached

For and on behalf of the Board of Directors

For C.K. CHANDAK & CO.  
Chartered Accountants  
Firm Registration No: 326844E

Sd/-  
Jitendra Kumar Goyal  
Director

Sd/-  
Pankaj Marda  
Managing Director

Sd/-  
CA Chandra Kumar Chandak  
Proprietor  
Membership No- 054297  
Place of Signature : Kolkata  
Date : 30/07/2020

Sd/-  
Radhika Maheswari  
Company Secretary

Sd  
Prabhat Marda  
Chief Financial Officer

Statement of changes in Equity for the year ended 31st March 2020

(a). Equity Share capital:

For the year ended 31st March, 2020			For the year ended 31st March, 2019		
Balance as at 1st April, 2019	Changes in equity share capital during	Balance as at 31st March, 2020	Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
1,00,277.77	-	1,00,277.77	1,00,277.77	-	1,00,277.77

(b). Other equity :

(Rs 'In 000)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total other equity
	Retained Earnings	Statutory reserve		
Balance as at 1st April, 2019	-1,469.97	696.28	-	-773.69
Changes in equity during the year ended 31st March, 2020				
Profit for the year	(191.56)			(191.56)
Transfer to statutory reserve				
Other Comprehensive income/loss for the year				-
Transfer from/to other Comprehensive income/retained earnings				-
Balance as at 31st March, 2020	-1,661.53	696.28	-	-965.26

(b).Other equity : ( Cont)

(Rs 'In 000)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total other equity
	Retained Earnings	Statutory reserve		
Balance as at 1st April, 2018	(1,205.66)	696.28	-	(509.38)
Changes in equity during the year ended 31st March, 2019				
Profit for the year	(264.31)			(264.31)
Transfer to statutory reserve				
Other Comprehensive income/loss for the year				-
Transfer from/to other Comprehensive income/retained earnings				-
Balance as at 31st March, 2019	-1,469.97	696.28	-	-773.69

The accompanying notes 1 to 33 are an integral part of the standalone financial statements

As per our report of even date attached  
For C.K. CHANDAK & CO.  
Chartered Accountants  
Firm Registration No: 326844E

For and on behalf of the Board of Directors

Sd/-  
Jitendra Kumar Goyal  
Director

Sd/-  
Pankaj Marda  
Managing Director

Sd/-  
CA Chandra Kumar Chandak  
Proprietor  
Membership No- 054297  
Place of Signature : Kolkata  
Date : 30/07/2020

Sd/-  
Radhika Maheswari  
Company Secretary

Sd/-  
Prabhat Marda  
Chief Financial Officer

**CASH FLOW STATEMENT for the year ended 31st March 2020**
**(Rs in '000)**

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before exceptional items and tax		(238)		(356.31)
<i>Adjustments to reconcile profit before exceptional items and tax to net cash flow provided by operating activities</i>				
Impairment on loans	2,126.93		1,121.58	
Net (gain)/loss on fair value changes on investment	-		537.56	
Interest on TDS	(21.50)		-	
Interest on Bonds	(0.74)		(1.47)	
		2,104.70		1,657.67
<b>Operating profit/loss before working capital changes</b>		<b>1,866.93</b>		<b>1,301.36</b>
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital</i>				
Decrease/(increase) in trade and other receivables	625.00		(625.00)	
(Increase) /Decrease in other financial Assets	8.05		(8.79)	
Decrease / (Increase) in other non-financial assets	(236.11)		(392.41)	
(Decrease)/Increase in Trade Payables	-		-	
(Decrease)/ Increase in other non-financial liabilities	5.62		42.59	
		402.56		(983.60)
<b>Cash generated from operations</b>		<b>2,269.49</b>		<b>317.76</b>
Tax Expense		-		14
<b>Net cash generated from operating activities</b> A		<b>2,269.49</b>		<b>304</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Decrease/ (Increase) in loans	-3,766.68		2,547.00	
Decrease/ (Increase) in investments	1,275.00		-3,269.70	
Interest on Bonds	0.74		1.47	
Interest on IT Refunds	21.50		-	
<b>Net cash used in investing activities</b> B		<b>-2,469.45</b>		<b>-721.23</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Borrowings (other than debt instruments)	-		-1.62	
Interest Expense	-		-	
<b>Net cash (used in) financing activities</b> C		<b>-</b>		<b>(1.62)</b>
<b>Net decrease/ Increase in cash and cash equivalents (A+B+C)</b>		<b>-199.96</b>		<b>(418.72)</b>
<b>Opening cash and cash equivalents</b>		<b>364.20</b>		<b>782.92</b>
<b>Closing cash and cash equivalents for the purpose of Cash Flow Statement</b>		<b>164.24</b>		<b>364.20</b>

**Notes:**

- 1) The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Indian Accounting Standard (Ind AS)-7 on Statement of Cash Flows
- 2) Cash and cash equivalents do not include any amount which is not available to the Company for its use
- 3) Cash and cash equivalents as at the Balance Sheet date consists of:

Particulars	(Rs 'In 000)	
	As at 31st March 2020	As at 31st March 2019
<b>Balances with banks</b>		
On current accounts	103.54	180.46
Cash on hand	60.70	183.74
Closing cash and cash equivalents (Refer Note 9)	164.24	364.20
Add : Deposits with banks ( with more than 12 months maturity) and interest accrued there upon.	-	-
Closing cash and cash equivalents for the purpose of cash flow statement	<b>164.24</b>	<b>364.20</b>

**As per our report of even date attached**
**For and on behalf of the Board of Directors**

For C.K. CHANDAK & CO.  
Chartered Accountants  
Firm Registration No: 326844E

Sd/-  
Jitendra Kumar Goyal  
Director

Sd/-  
Pankaj Marda  
Managing Director

Sd/-  
CA Chandra Kumar Chandak  
Proprietor  
Membership No- 054297  
Place of Signature : Kolkata  
Date : 30/07/2020

Sd/-  
Radhika Maheswari  
Company Secretary

Sd/-  
Prabhat Marda  
Chief Financial Officer





# SCINTILLA COMMERCIAL & CREDIT LIMITED

## Notes forming part of the Standalone Financial Statements

### 6. Segment Information

#### Primary Segment

The Company's primary business segments are reflected based on the principal business carried out i.e. Investments & Financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108

### 7. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

#### 7.1 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 particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is 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.

#### 7.2 Fair Value Measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### 7.3 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 5.2 (iii)(f) Overview of ECL principles.

#### 7.4 Contingent liabilities and Provisions other than Impairment on Loan Portfolio

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 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 considered to be 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.

### **7.5 Effective Interest Rate (EIR)**

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

## **8. First Time Adoption**

These financial statements, for the year ended 31 March 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its 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 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2020, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018

being the Company's date of transition to Ind AS. Note no. 30(1) explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019.

### **Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

#### **8.1 Investment in subsidiaries**

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiary and associate at the previous GAAP carrying amount as its deemed cost on the transition date.

#### **8.2 Fair value measurement of financial assets or financial liabilities at initial recognition**

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument.

Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to the transactions entered into on or after the date of transition to Ind AS.

The Company has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

#### **8.3 Estimates**

An entity's estimates in accordance with Ind AS 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).

#### **8.4 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

## Notes forming part of the Standalone Financial Statements

### Note No. : 9 Cash and cash equivalents

(Rs 'In 000)

Particulars	As at 31st	As at 31st	As at 1st April
	March 2020	March 2019	2018
<b>Balances with banks</b>			
On current accounts	103.54	180.46	646.02
Cash on hand	60.70	183.74	136.90
	<b>164.24</b>	<b>364.20</b>	<b>782.92</b>

### Note No. : 10 Receivables

#### (I) Trade receivables

(Rs 'In 000)

Particulars	As at 31st	As at 31st	As at 1st April
	March 2020	March 2019	2018
Trade receivables considered good-secured	-	-	-
Trade receivables considered good-unsecured	-	625.00	-
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables credit-impaired	-	-	-
<b>Total</b>	-	<b>625.00</b>	-
Allowances for impairment loss	-	-	-
<b>Total</b>	-	<b>625.00</b>	-

(Rs 'In 000)

Particulars	As at 31st	As at 31st	As at 1st April
	March 2020	March 2019	2018
Out of the above Trade receivables			
<b>Trade receivables from Related parties</b>	-	<b>625.00</b>	-

No trade or other receivable are due by directors or other officers of the NBFC or any of them either severally or jointly with any person, or debts due by firms including LLP, private companies respectively in which any director is a partner, or a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

The Company does not felt necessary to provide for Expected credit loss on trade receivables, as historic credit loss over the preceding three to five years on the total balance of non-credit impaired trade receivables is close to Nil

#### Reconciliation of impairment allowance on trade receivables

Particulars	Amount
Impairment allowance measured as per simplified approach	
<b>Impairment allowance as on April 01, 2018</b>	
Add: Addition during the year	Nil
Less: Reduction during the year	Nil
<b>Impairment allowance as on April 01, 2019</b>	Nil
Add: Addition during the year	Nil
Less: Reduction during the year	Nil
<b>Impairment allowance as on March 31, 2020</b>	Nil

The Management expects no default in receipt of trade receivables, also there is no history of default observed by the management. Hence, no ECL, has been recognised on trade receivables.

Further there are no other receivables for any financial year as presented in the Financial statements, hence no ECL has been recognised on other receivables; also reconciliation of other receivables was not considered necessary

### Note No. : 13 Other financial assets

(Rs 'In 000)

Particulars	As at 31st	As at 31st	As at 1st April
	March 2020	March 2019	2018
Short term advances	-	8.79	-
Interest on NHAI Bonds	0.74	-	-
	<b>0.74</b>	<b>8.79</b>	-

### Note No. : 14 Current tax assets (net)

(Rs 'In 000)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Tax deducted at source	751.40	784.55	378.51
Less : Provision for Income Tax	-	92.34	78.70
	<b>751.40</b>	<b>692.21</b>	<b>299.81</b>

**Note No. : 15 Deferred tax Assets/Liabilities (net)**

**As at 31st March 2020**

**(Rs 'In 000)**

Particulars	Opening Balance	Recognised in Profit or loss	Reclassified from equity to profit or loss	Recognised in Other Comprehens ive Income	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>					
Investment	32.06	-0.72	-	-	31.34
	<b>32.06</b>	<b>-0.72</b>			<b>31.34</b>
<b>Tax effect of items constituting deferred tax assets</b>					
Expected credit loss	782.94	45.49	-	-	828.43
	<b>782.94</b>	<b>45.49</b>			<b>828.43</b>
<b>Net deferred tax ( Asset ) Liabilities/ (Income) Expense</b>	<b>(750.88)</b>	<b>-46.21</b>			<b>-797.09</b>
<b>As at 31st March 2019</b>					
<b>Tax effect of items constituting deferred tax liabilities</b>					
Investment	170.48	-138.42	-	-	32.06
	<b>170.48</b>	<b>-138.42</b>			<b>32.06</b>
<b>Tax effect of items constituting deferred tax assets</b>					
Expected credit loss	815.73	(32.79)	-	-	782.94
Investments	-	-	-	-	-
	<b>815.73</b>	<b>(32.79)</b>			<b>782.94</b>
<b>Net deferred tax ( Asset ) Liabilities/ (Income) Expense</b>	<b>(645.25)</b>	<b>(105.63)</b>			<b>(750.88)</b>

Notes forming part of the Standalone Financial Statements

Note No. : 11 Loans

(Rs 'In 000)

Particulars	As at March, 2020	As at March, 2019	As at April, 2018
	At amortised cost	At amortised cost	At amortised cost
<b>(A)</b>			
i) Bills purchased and bills discounted	-	-	-
ii) Loans repayable on demand	62,701.43	59,561.96	63,357.89
iii) Term loans	-	-	-
iv) Leasing	-	-	-
v) Factoring	-	-	-
v) Others	-	-	-
<b>Total (A) Gross</b>	<b>62,701.43</b>	<b>59,561.96</b>	<b>63,357.89</b>
Less: Impairment loss allowance	3,291.33	3,040.54	3,167.89
<b>Total (A) Net</b>	<b>59,410.10</b>	<b>56,521.42</b>	<b>60,190.00</b>
<b>(B)</b>			
i) Secured by tangible assets	-	-	-
ii) Unsecured	62,701.43	59,561.96	63,357.89
<b>Total (B) Gross</b>	<b>62,701.43</b>	<b>59,561.96</b>	<b>63,357.89</b>
Less: Impairment loss allowance	3,291.33	3,040.54	3,167.89
<b>Total (B) Net</b>	<b>59,410.10</b>	<b>56,521.42</b>	<b>60,190.00</b>
<b>(C)</b>			
i) Public sector	-	-	-
ii) Others	16,492.90	22,092.78	23,344.44
Retail	-	-	-
Corporates	46,208.53	37,469.18	40,013.45
<b>Total (C) Gross</b>	<b>62,701.43</b>	<b>59,561.96</b>	<b>63,357.89</b>
Less: Impairment loss allowance	3,291.33	3,040.54	3,167.89
<b>Total (C) Net</b>	<b>59,410.10</b>	<b>56,521.42</b>	<b>60,190.00</b>

(Rs 'In 000)

Particulars	As at March, 2020	As at March, 2019	As at April, 2018
	At amortised cost	At amortised cost	At amortised cost
<b>Out of the above loans</b>			
Loans to related parties	-	1,378.20	2,266.87

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal policy and year end stage classification. The amount presented are gross of impairment allowances.  
Company's internal guidelines on ECL allowances are set out in Note no 5.2 (f) and Note no. 34(1)

(Rs 'In 000)

Particulars	As at March, 2020	As at March, 2019	As at April, 2018
<b>Stage wise break up of loans</b>			
Low credit risk (Stage 1)	62,701.43	59,561.96	63,357.89
Significant increase in credit risk (stage 2)	-	-	-
Credit impaired (Stage 3)	-	-	-
<b>Total</b>	<b>62,701.43</b>	<b>59,561.96</b>	<b>63,357.89</b>

An analysis of changes in the gross carrying amount as follows

(Rs 'In 000)

Particulars	As at March, 2020				As at March, 2019			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
<b>Gross carrying amount opening balance</b>	59,561.96	-	-	59,561.96	63,357.89	-	-	63,357.89
New assets originated or purchased	20,261.50	-	-	20,261.50	16,372.33	-	-	16,372.33
Assets derecognised or repaid (excluding write offs)	-15,245.89	-	-	-15,245.89	-18,919.33	-	-	(18,919.33)
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-1,876.15	-1,876.15	-	-	-1,248.93	-1,248.93
<b>Gross carrying amount closing balance</b>	<b>64,577.58</b>	<b>-</b>	<b>-1,876.15</b>	<b>62,701.43</b>	<b>60,810.90</b>	<b>-</b>	<b>-1,248.93</b>	<b>59,561.96</b>

Reconciliation of ECL Balance

(Rs 'In 000)

Particulars	As at March, 2020				As at March, 2019			
	General approach				General approach			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
<b>ECL allowance - opening balance</b>	3,040.54	-	-	3,040.54	3,167.89	-	-	3,167.89
New assets originated or purchased	1,013.08	-	-	1,013.08	818.62	-	-	818.62
Assets derecognised or repaid (excluding write offs)	-762.29	-	-	-762.29	-945.97	-	-	-945.97
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
<b>ECL allowance - closing balance</b>	<b>3,291.33</b>	<b>-</b>	<b>-</b>	<b>3,291.33</b>	<b>3,040.54</b>	<b>-</b>	<b>-</b>	<b>3,040.54</b>

(Rs in '000)

Particulars	Amount In Rs		
	As at March, 2020	As at March, 2019	As at 1st April, 2018
<b>Provision as per RBI Prudential Norms</b>			
Standard Asset	0.16	148.93	158.40
Sub-Standard Asset	-	-	-
Doubtful Asset	-	-	-
Loss Asset	-	-	-
<b>Total</b>	<b>0.16</b>	<b>148.93</b>	<b>158.40</b>

Notes

a) Asset classification is as per Reserve Bank of India guidelines and provisions is as per Expected Credit Loss methodology as per Ind AS which is higher than minimum required as per prudential norms

b) As the ECL provisions is higher than provision required under IRACP (Income Recognition, Assets classification & provisioning, there is no requirement to create Impairment allowance reserve.

Notes forming part of the Standalone Financial Statements

Note No. : 12 Investments

(Rs 'In 000)

Particulars	As at March, 2020					As at March, 2019					As at April, 2018							
	At fair value					At fair value					At fair value							
	Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss	Sub-Total	Others	Total	Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss	Sub-Total	Others	Total	Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss	Sub-Total	Others	Total
1	2	3	4 = 2 + 3	5	6 = 1 + 5	1	2	3	4 = 2 + 3	5	6 = 1 + 5	1	2	3	4 = 2 + 3	5	6 = 1 + 5	
(i) Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Debt securities (Quoted)	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10
(iv) Equity Instruments (Quoted)	-	-	891.95	891.95	-	891.95	-	1,963.97	1,963.97	-	2,696.83	-	2,696.83	-	2,696.83	-	2,696.83	
(v) Equity Instruments (Unquoted)	-	14,931.00	520.00	15,451.00	-	15,451.00	-	14,206.00	2,520.00	16,726.00	-	16,726.00	-	12,741.00	520.00	13,261.00	-	13,261.00
(vi) Subsidiaries (at cost)	-	-	-	-	22,000.00	22,000.00	-	-	-	22,000.00	-	22,000.00	-	-	-	22,000.00	-	22,000.00
(vii) Associates (at cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(viii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A) Group</b>	-	<b>14,941.10</b>	<b>1,411.95</b>	<b>16,353.05</b>	<b>22,000.00</b>	<b>38,353.05</b>	-	<b>14,216.10</b>	<b>4,483.97</b>	<b>18,700.07</b>	<b>22,000.00</b>	<b>40,700.07</b>	-	<b>12,751.10</b>	<b>3,216.83</b>	<b>15,967.93</b>	<b>22,000.00</b>	<b>37,967.93</b>
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	14,941.10	1,411.95	16,353.05	22,000.00	38,353.05	-	14,216.10	4,483.97	18,700.07	22,000.00	40,700.07	-	12,751.10	3,216.83	15,967.93	22,000.00	37,967.93
<b>Total (B) Group</b>	-	<b>14,941.10</b>	<b>1,411.95</b>	<b>16,353.05</b>	<b>22,000.00</b>	<b>38,353.05</b>	-	<b>14,216.10</b>	<b>4,483.97</b>	<b>18,700.07</b>	<b>22,000.00</b>	<b>40,700.07</b>	-	<b>12,751.10</b>	<b>3,216.83</b>	<b>15,967.93</b>	<b>22,000.00</b>	<b>37,967.93</b>
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total - Net (D) = (A)-(C)</b>	-	<b>14,941.10</b>	<b>1,411.95</b>	<b>16,353.05</b>	<b>22,000.00</b>	<b>38,353.05</b>	-	<b>14,216.10</b>	<b>4,483.97</b>	<b>18,700.07</b>	<b>22,000.00</b>	<b>40,700.07</b>	-	<b>12,751.10</b>	<b>3,216.83</b>	<b>15,967.93</b>	<b>22,000.00</b>	<b>37,967.93</b>

As per Ind As 109, equity instruments measured at other than at cost and debt instruments measured at fair value through profit or loss do not require a separate evaluation of impairment amount. Hence, in such cases, the disclosure pertaining to impairment shall not be applicable.

Investments at FVTOCI (Non-trade) (Rs 'In 000)

Particulars	Face Value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018	Quantity
Equity (Quoted)								
NHAI Bonds	10	10.10	10	10.10	10	10.10	10	10.10
<b>Total</b>		<b>10.10</b>		<b>10.10</b>		<b>10.10</b>		<b>10.10</b>

Investments at FVTOCI (Non-trade) (Rs 'In 000)

Particulars	Face Value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018	Quantity
Equity (Unquoted) at FVTOCI (Non-trade)								
AIM Finance Pvt. Ltd.	10	2,801.150	11,206.00	2,801.150	11,206.00	2,801.150	11,206.00	
Mayborn Investments Pvt. Ltd.	10	30,000	3,700.00	30,000	3,000.00	11,250	11,250.00	
R.V. Infracon Pvt. Ltd.	10	-	-	-	-	15,294	260.00	
Shreyans Stockinvest Pvt. Ltd.(Donor share)	10	9,000	-	9,000	-	150.00	150.00	
East Flow Commodical Ltd.	10	25.00	-	-	-	-	-	
<b>Total</b>		<b>14,931.00</b>	<b>14,206.00</b>	<b>17,244.13</b>	<b>14,206.00</b>	<b>12,741.00</b>	<b>23,400.95</b>	

Aggregate Break-up value of Unquoted shares

Investments in Subsidiaries (At Cost) (Rs 'In 000)

Particulars	Face value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018	Quantity
Janmatarani Merchants Ltd.	10	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	
Maricoqld Trading Ltd.	10	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	
<b>Total</b>	<b>10</b>	<b>11,000.00</b>	<b>22,000.00</b>	<b>22,000.00</b>	<b>22,000.00</b>	<b>22,000.00</b>	<b>22,000.00</b>	

Aggregate Break-up value

Trade investments held as stock in trade and measured at FVTPL (Fair value through profit & loss)

Trade investments at FVTPL (Stock-in-trade) Unquoted (Rs 'In 000)

Particulars	Face Value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018	Quantity
Equity Quoted								
Hindustan National Glass & Industries Limited	10	19,058	526.95	19,058	1,598.97	19,058	2,046.83	
OneSource Tech Media Limited	10	50,000	365.00	50,000	365.00	50,000	650.00	
<b>Total</b>		<b>891.95</b>	<b>891.95</b>	<b>1,963.97</b>	<b>2,696.83</b>	<b>2,696.83</b>	<b>2,696.83</b>	

Trade investments at FVTPL (Stock-in-trade) Unquoted (Rs 'In 000)

Particulars	Face Value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018	Quantity
Equity Unquoted								
Prakash Estates Ltd	10	6,000	120.00	6,000	120.00	6,000	120.00	
Shreyans Stockinvest Pvt Ltd	10	-	-	2,000	2,000.00	-	-	
Rubicon Agencies Pvt Ltd (Equity oriented rev)	100	40,000	400.00	40,000	400.00	40,000	400.00	
<b>Total</b>		<b>520.00</b>	<b>520.00</b>	<b>2,520.00</b>	<b>2,520.00</b>	<b>520.00</b>	<b>520.00</b>	

Further refer note no 5.2 (iii) for the basis of classification, measurement and recognition of FVTPL investments

## Notes forming part of the Standalone Financial Statements

### Note No. : 16 Trade Payables (Rs 'In 000)

Particulars	As at 31st March	As at 31st March	As at 1st April
	2020	2019	2018
(i) total outstanding dues of micro enterprises & small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises & small enterprises	-	-	-
	-	-	-

### Note No. : 17 Borrowings ( other than debts) (Rs 'In 000)

Particulars	As at 31st March	As at 31st March	As at 1st April
	2020	2019	2018
Short term borrowings (unsecured)	-	-	1.62
	-	-	1.62

### Note No. : 18 Other non- financial liabilities (Rs 'In 000)

Particulars	As at 31st March	As at 31st March	As at 1st April
	2020	2019	2018
Liabilities for Expenses	153.08	158.49	105.51
TDS Payable	0.40	-	-
Advance received	10.63	-	10.38
	<u>164.11</u>	<u>158.49</u>	<u>115.90</u>

### Note No. : 19 Equity Share capital (Rs 'In 000)

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
	<b>(a) Authorised</b>					
Equity shares of par value 10 /- each	1,00,50,000	1,00,500.00	1,00,50,000	1,00,500.00	1,00,50,000	1,00,500.00
<b>(b) Issued, subscribed and fully paid up</b>						
Equity shares of par value 10 /- each	1,00,27,777	<u>1,00,277.77</u>	1,00,27,777	<u>1,00,277.77</u>	1,00,27,777	<u>1,00,277.77</u>
		<u>1,00,277.77</u>		<u>1,00,277.77</u>		<u>1,00,277.77</u>

#### (c) Reconciliation of number and amount of equity shares outstanding

(Rs 'In 000)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of Shares	RS	No of Shares	RS
	At the beginning of the year	1,00,27,777	1,00,277.77	1,00,27,777
At the end of the year	1,00,27,777	1,00,277.77	1,00,27,777	1,00,277.77

(d) The Company has only one class of equity shares. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share

(e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(f) Shareholders holding more than 5 % of the equity shares in the Company** (Rs 'In 000)

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	% of shares	No. of shares	% of shares	No. of shares	% of shares	No. of shares
Centuple Finance Pvt. Ltd.	18.81	1886489	18.81	1886489	18.81	1886489

(g) There are no shares reserved for issue under options and contracts / commitments for the sale of shares/ disinvestments

(h) For the period of 5 years immediately preceding the date as at which the Balance Sheet is prepared

Name of the Shareholder	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	No of Shares	No of Shares	No of Shares
(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL
(b) Aggregate number and class of shares allotted as fully paid by way of bonus shares	NIL	NIL	NIL
© Aggregate number and class of shares bought back	NIL	NIL	NIL

(l) There were no securities issued having a term for conversion into equity / preference shares.

(j) There are no calls unpaid in respect of Equity Shares issued by the Company

(K) There are no forfeited shares by the Company

**Note No. : 20 Other equity**

(Rs 'In 000)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Statutory Reserve pursuant to Section 45-IC of the RBI Act 1934</b>			
Balance as per last account	696.28	696.28	696.28
Add: Transfer from Profit or loss	-	-	-
	<u>696.28</u>	<u>696.28</u>	<u>696.28</u>
<b>Retained Earnings</b>			
Balance as per last account	-1,469.97	(1,205.66)	(1,205.66)
Add : Net Profit for the Year	(191.56)	(264.31)	-
Less: Transfer to Statutory Reserve	-	-	-
Add : Transfer from Other Comprehensive Income	-	-	(1,469.97)
	<u>-1,661.53</u>	<u>-</u>	<u>(1,469.97)</u>
<b>Other Comprehensive Income</b>			
Balance as per last account	-	-	-
Add : Other Comprehensive Income for the Year	-	-	-
Less : Transfer to retained earnings	-	-	-
	<u>-965.26</u>	<u>-773.69</u>	<u>(509.38)</u>

**Nature and purpose of Reserves**

**1) Statutory Reserve**

Statutory reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934): defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared.

Since the company had reported loss in both the financial years, hence in that case, no amount would be transferred to the above Statutory Reserve.

**2) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to/from other comprehensive income, or other distributions paid to shareholders if any and less any transfers to Statutory reserve out of current year's profit pursuant to Section 45-IC of the RBI Act, 1934

**3) Other Comprehensive reserve**

Company does not have any item, which can be measured at FVTOCI, hence the same is Nil for all the above periods

## Notes forming part of the Standalone Financial Statements

### Revenue from operations

Note No. : 21 Interest Income (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>(a) Interest Income</b>		
<b>On financial assets measured at amortised cost</b>		
Interest on loans	4,589.76	4,975.59
Interest on bill discounting	-	-
	<u>4,589.76</u>	<u>4,975.59</u>

Note No. : 22 Net Gain / (Loss) on Fair Value Changes (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Net gain / (loss) on financial instruments at fair value through Profit or loss</b>		
<b>(i) On trading portfolio</b>		
Investments	-1,072.01	-2,607.86
	<u>-1,072.01</u>	<u>-2,607.86</u>

Note No. : 23 Other Operating Income (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Other operating Income</b>		
Interest on NHAI Bonds	0.74	1.47

Note No. : 24 Other Income (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on TDS	21.50	-
	<u>-</u>	<u>-</u>
<b>Others</b>		
Reversal of ECL	-	127.35
	<u>-</u>	<u>127.35</u>
	<u>21.50</u>	<u>127.35</u>

Note No. : 25 Impairment of financial assets (expected credit loss) (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
ECL on loans (reversed)	250.78	127.35
Less: transferred to other income	-	-127.35
	<u>250.78</u>	<u>-</u>

Note No. : 26 Employee benefit expense (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Managing director's remuneration	76.17	67.00
Salaries and bonus	666.65	495.85
Staff welfare	41.54	39.00
	<u>784.36</u>	<u>601.85</u>



**Note No. : 27 Other expenses****(Rs 'In 000)**

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
<b>Payments to auditor</b>				
As auditor for statutory audit	15.0		15.00	
Other charges	12.5	27.5	13.50	28.50
Internal audit fees		5.0		5.00
Accounting charges		16.0		16.00
Advertisement		24.9		24.34
Bank charges		0.6		1.03
Bad debts		1,876.2		1,248.93
Conveyance		26.4		43.33
Depository Charges		94.2		54.28
Establishment charges		12.0		12.00
Filing fees		8.4		9.00
Listing fees		383.5		324.50
General Expenses		6.3		39.45
Office maintenance		27.7		29.03
Professional fees		121.3		306.40
Printing & Stationery		55.1		43.19
Postage & couriers		26.3		34.82
RTA fees		26.6		26.55
Trade license		2.2		2.15
Professional tax		2.5		2.50
		<b>2,742.6</b>		<b>2,251.00</b>

**Note No. : 28 Tax expense****(Rs 'In 000)**

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Current tax	-		13.63	
Taxation for earlier years	-		-	
Deferred tax (refer note no 15)	(46.21)		(105.63)	
		<b>-46.21</b>		<b>(92.0)</b>
		<b>-46.21</b>		<b>(92.0)</b>

**Note No. : 29 Other comprehensive income****(Rs 'In 000)**

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
<b>Items that will not be reclassified to profit or loss</b>				
Fair value changes of Investments in equity shares	-		-	
Gain on sale of Investments			-	
Less: Income tax relating to items that will not be reclassified to profit or loss	-		-	
<b>Total other Comprehensive Income</b>				<b>-</b>

**Note No. : 30 Other disclosures****2. Contingent liabilities and commitments (to the extent not provided for)****a) Contingent liabilities :**

Outstanding Income Tax Demand (Under Section 143(3) of I.T Act 1961)	Assessment order	Date of filing	Status
A.Y 2014-15- Rs 189160/- U/s 143 (3) of Income Tax Act, 1961	13-12-2016	06-01-2017	Appeal Filled with CIT(A)

**b) Commitments :**

There are no capital commitments contracted by the Company during the period under review

**C) Other Statutory & Legal Matters**

There has been no significant and/ or material order(s) passed by any Regulators/Courts/Tribunals impacting the status.

Further the Company received a notice from BSE dated August 10, 2017 regarding issue related to suspected shell company and appointment of forensic auditor thereon. BSE requested to submit various documents from time to time in this regard along with the queries and other information from the Company. The Company replied to all the reasonable queries issued by the BSE.

Further BSE appointed M/s. BDO India LLP, Chartered Accountants to carry out the forensic audit of the Company.

Without prejudice to the interests of the Company, the Company has then from time to time provided all the necessary informations/ documents explanations as required by the forensic auditors and by the Exchange. Within the rights which are available to the Company, the company has sought legal advisory through its Counsels, and represented before the Exchange and the Courts from time to time.

and presently the matter is sub-judice as on March 31, 2020

**Note No. : 30 Other disclosures (Continued)**

3)

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2018, March 2017 & April 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

4)

**Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets**

**(i) Nature of provision**

Provision for contingencies

Provision for contingencies represent provision towards various claims made/anticipated in respect of duties and taxes and other litigation claims against the Company based on the Management's assessment

**(ii) Movement in provision:-**

Particulars	Duties & Taxes	Other Litigation Claims	Total
<b>Balance as at 1st April, 2019</b>		NIL	
Provided during the year			
Used during the year		NIL	
Reversed during the year			
<b>Balance as at 31st March, 2020</b>		NIL	
Non-current		NIL	
Current		NIL	
<b>Balance as at 1st April, 2018</b>		NIL	
Provided during the year			
Used during the year		NIL	
Reversed during the year			
<b>Balance as at 31st March, 2019</b>		NIL	
Non-current		NIL	
Current		NIL	

**5) Segment Reporting :**

The Company's primary business segments are reflected based on the principal business carried out i.e. Investments & Financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108

**Note No. : 30 Other disclosures (Continued)**

**(6) Earnings per share** - The numerators and denominators used to calculate Basic / Diluted earnings per share

**(Rs 'In 000)**

Particulars	2019-2020	2018-2019
<b>(a) Amount used as the numerator</b>		
Profit after Tax - (A)	<b>(191.56)</b>	<b>(264.31)</b>
<b>(b) Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings Per Share (B)</b>	10,027.78	10,027.78
<b>Add: Weighted average number of dilutive potential equity shares</b>	-	-
<b>(C) Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings Per Share (C)</b>	10027.78	10027.78
<b>(d) Nominal value of equity shares (Rs)</b>	10.00	10.00
<b>Basic earnings per share (A)/(B)</b>	<b>(0.02)</b>	<b>(0.03)</b>
<b>Diluted earnings per share (A)/(C)</b>	<b>(0.02)</b>	<b>(0.03)</b>

**Note No. : 30 Other disclosures (Continued)**

**7) Related party disclosures :**

**(a) Name of the related parties and description of relationship**

**(i) Subsidiary Company : (Control exists)**

**(ii) Associate Company : (Significant influence can be exercised)**

**(iii) Key Managerial personel ( KMP)**

(1)  
(2)  
(3)  
(4)  
(5)  
(6)

**(iv) Other related parties  
Close members of KMP**

(1)  
(2)  
(3)  
(4)  
(5)  
(6)

**(V) Significant Influence entities**

(1)  
(2)  
(3)  
(4)  
(5)  
(6)

**(b) Transactions with related party**

Nature of the transaction/ Name of the related party	Subsidiary	Associate	Significant influence	Key managerial personel (KMP)	Close members of KMP	Total
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**© Details of Remuneration paid/payable to KMP**

**Year ended 31st March 2018**

Particulars	X	Y	Z	B	A	Total
Short-term employee benefits						
Salary						
Commission						
Perquisites						
Post-employment benefits						
Contribution to Provident Fund, Gratuity and other Funds *						

\* The said amount does not includes amount in respect of gratuity and leave as the same are not ascertainable

**Year ended 31st March 2017**

Particulars	X	Y	Z	B	A	Total
Short-term employee benefits						
Salary						
Commission						
Perquisites						
Post-employment benefits						
Contribution to Provident Fund, Gratuity and other Funds *						

## Notes forming part of the Standalone Financial Statements

### Note No. : 30 Other disclosures (Continued)

#### 5) Related party disclosures :

As per Ind AS 24 - Related Party Disclosures, specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists/able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

#### (a) Name of the related parties and description of their relationship

##### (i) Subsidiaries/ Step down subsidiaries

- (1) Jaimatarani Merchants Limited
- (2) Mericogold Trading Limited

##### (ii) Associates/Joint Venture

Nil

##### (iii) Key Management Personnel (KMP)

- |                           |   |
|---------------------------|---|
| (1) Pankaj Marda          | Managing Director                             |
| (2) Mahesh Kumar Kejriwal | Independent Director                          |
| (3) Vidhu Bhushan Verma   | Independent Director                          |
| (4) Ritu Agarwal          | Independent Director                          |
| (5) Jitendra Kumar Goyal  | Executive Director                            |
| (6) Prabhat Kumar Marda   | Chief Financial Officer                       |
| (7) Shashi Chandra Jha    | Company Secretary (Resigned w.e.f 07.05.2019) |
| (8) Aayushi Kapur         | Company Secretary (Appointed on 14.08.2019)   |
| (9) Aayushi Kapur         | Company Secretary (Resigned w.e.f 25.11.2019) |
| (10) Radhika Maheshwari   | Company Secretary (Appointed on 12.02.2020)   |

##### (iv) Relative of Key Management Personnel

- (1) Renu Goyal
- (2) Sumit Goyal
- (3) Varsha Goyal
- (4) Virendra Kumar Goyal
- (5) Saroj Devi Marda
- (6) Shiv Kumar Marda
- (7) Meena Marda

##### (v) Entities where Key Management Personnel and their relative have significant influence

- (1) ABM Finlease Private Limited
- (2) Anjaniputra Promoters Private Limited
- (3) Fastflow Commodal Limited
- (4) Aurelian Commercial LLP
- (5) Aurelian Trading LLP
- (6) Centuple Commercial LLP
- (7) Centuple Trading LLP
- (8) Daulat Vintrade LLP
- (9) Daffodil Dealtrade Private Limited
- (10) Dignity Dealtrade Private Limited
- (11) Goyal Commercial Private Limited
- (12) Horizon Agro Processing Private Limited
- (13) Icon Comtrade LLP
- (14) Laxmidhan Properties Private Limited
- (15) Mayborn Investments Private Limited
- (16) Merit Comsales LLP
- (17) Planet Dealtrade LLP
- (18) Rambhakta Enterprise LLP
- (19) Shreyans Stockinvest Private Limited
- (20) Silverlake Tradelinks LLP
- (21) Skylight Vintrade LLP
- (22) Ultra Dealers Private Limited
- (23) Spectrum Pestorgan Private Limited
- (24) Success Dealers LLP
- (25) Sumit Technisch & Engineering Private Limited
- (26) Suncity Dealers LLP
- (27) Tubro Consultants & Enterprises Private Limited
- (28) Twinkle Vintrade LLP
- (29) Vibgyor Comtrade Private Limited
- (30) Yashoyog Commercial LLP
- (31) Zigma Comsales Private Limited

\* (Significant influence will be influence or significant influence as the case may be )

##### (vi) HUF & Trust where Key Management Personnel and their relative have significant influence

- (1) G Jitendra HUF
- (2) Virendra Kumar Goyal HUF
- (3) Y K Goyal & Sons HUF
- (4) Sumit Goyal Benefit Trust
- (5) Varsha Goyal Benefit Trust
- (6) Pankaj Marda HUF
- (7) S Marda & Sons HUF

\* (Significant influence will be influence or significant influence as the case may be )

**Transaction with related party**

Sl	Name of Related Party - Company or Individual	Nature of transactions and outstanding balances	FY 2019-20	FY 2018-19
<b>KEY MANAGEMENT PERSONNEL</b>				
1	DIPAK KUMAR KAJREWAL	REMUNERATION TO MANAGING DIRECTOR	43,500.00	67,000.00
2	AAYUSHI KAPUR	REMUNERATION	53,333.00	-
3	SHASHI CHANDRA JHA	REMUNERATION	1,58,333.00	86,666.00
4	PRABHAT KUMAR MARDIA	REMUNERATION	1,80,000.00	93,000.00
5	RADHIKA MAHESHWARI	REMUNERATION	17,967.00	-
<b>Entities where Key Management Personnel and their relative have significant influence</b>				
1	ABM FINLEASE PRIVATE LIMITED	PURCHASE OF SHARES & SECURITIES	-	55,25,000.00
		SALE OF SHARES & SECURITIES	-	25,00,000.00
2	CENTUPLE COMMERCIAL LLP	LOANS GRANTED	25,000.00	-
		LOAN REPAID	81,700.00	28,739.00
		<b>BALANCE:</b>	<b>7,56,711.00</b>	<b>7,56,700.00</b>
		ESTABLISHMENT CHARGES & OTHER EXPENSES	8,000.00	12,000.00
3	DIGNITY DEALTRADE PRIVATE LIMITED	PURCHASE OF SHARES & SECURITIES	-	20,00,000.00
4	HORIZON AGRO PROCESSING PVT LTD	LOAN GRANTED	-	1,04,661.00
		LOAN REPAID	-	1,13,538.00
		<b>BALANCE : LOAN</b>	<b>-</b>	<b>NIL</b>
5	LAXMIDHAN PROPERTIES PVT LTD	LOANS GRANTED	76,500.00	-
		LOAN REPAID	68,850.00	68,850.00
		<b>BALANCE:</b>	<b>9,18,850.00</b>	<b>9,18,850.00</b>
6	MAYBORN INVESTMENTS PVT LTD	LOANS GRANTED	-	-
		INVESTMENTS IN SHARES & SECURITIES	6,00,000.00	30,00,000.00
		INVESTMENTS IN SHARES & SECURITIES SOLD	1,00,000.00	11,25,000.00
		SALE OF SHARES & SECURITIES	20,00,000.00	-
7	RAMBHAKTA ENTERPRISE LLP	LOANS GRANTED	2,50,000.00	-
		LOAN REPAID	2,52,959.00	9,432.00
		<b>BALANCE RECEIVABLE:</b>	<b>NIL</b>	<b>NIL</b>
8	SHREYANS STOCKINVEST PVT LTD	INVESTMENTS IN SHARES & SECURITIES	-	25,00,000.00
		INVESTMENTS IN SHARES & SECURITIES SOLD	-	26,50,000.00
9	SILVERLAE TRADELINKS LLP	SALE OF SHARES & SECURITIES	-	6,25,000.00
		PURCHASE OF SHARES & SECURITIES	6,25,000.00	-
10	SPECTRUM PESTORGAN PVT LTD	ADVANCE RECEIVED	2,155.90	2,706.00
		ADVANCE REFUNDED	2,155.90	2,706.00
		<b>BALANCE RECEIVABLE:</b>	<b>NIL</b>	<b>NIL</b>
11	TUBRO CONSULTANTS & ENTERPRISES (P) LTD	ADVANCES RECEIVED	78,374.00	47,327.00
		ADVANCES REPAID	67,749.00	65,761.00
		<b>BALANCE :</b>	<b>10,625.00</b>	<b>8,050.00</b>
		ACCOUNTING & ESTABLISHMENT CHARGES	22,000.00	2,000.00
12	VEDIK HOLDINGS PVT LTD	LOANS GRANTED	-	-
		LOAN REPAID	-	19,973.00
		<b>BALANCE RECEIVABLE:</b>	<b>NIL</b>	<b>NIL</b>

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\* The said amount does not includes amount in respect of gratuity and leave as the same are not ascertainable

d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

e) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in current year and previous year for bad or doubtful debts in respect of the amounts owed by related parties.

f) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

**Note No. : 30(1) Disclosure Pursuant To Ind AS 101****"FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"**

For reporting periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with Indian GAAP (IGAAP or previous GAAP). The Company has prepared its financial statements in accordance with Ind AS prescribed under section 133 of the Act and other accounting principles generally accepted in India and as notified by Ministry of Corporate Affairs with the transition date being April 1, 2018. The impact of transition has been provided in the opening reserves as at April 1, 2018.

In preparing these financial statements, the Company has opted to avail the choices available for certain transitional provisions with Ind AS 101, 'First time adoption of Indian Accounting Standards', which offers exemption from applying specified Ind AS retrospectively. The most significant of these provisions are in the following areas:

**I. Classification and measurement of financial assets**

At the transition date, the Company assessed the conditions for classification of financial assets and accordingly classified its financial assets at either amortized cost, fair value through other comprehensive income or fair value through profit and loss account, as appropriate, under the provisions of Ind AS 109, 'Financial Instruments'.

**II. De-recognition of financial assets and liabilities**

The Company has elected not to recognize financial assets or financial liabilities which were derecognized in accordance with previous GAAP as a result of transactions that occurred before the transition date.

**III. Investment in subsidiaries**

The financial statements prepared are separate financial statements. Ind AS 101 provides a one-time option to a first time adopter either to measure its investment in subsidiaries as per previous GAAP carrying value or at fair value on the date of transition. The Company has elected to measure its investment in subsidiaries as per previous GAAP carrying value.

**III. Estimates**

An entity's estimates in accordance with Ind AS 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 differences in accounting policies, if any).

**IV. Fair value measurement of financial assets or financial liabilities at initial recognition**

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognize the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company has opted for this exemption to recognize the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

**V. Impairment of financial assets**

Under Ind AS provisions for losses are required to be computed as per the impairment principles laid out in Ind AS 109 'Financial Instruments' which prescribes the expected credit loss model (ECL model) for the same. Accordingly, the difference between provisions as computed under previous GAAP and as computed under Ind AS is adjusted in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2019.

**VI. Deferred tax**

Indian GAAP required deferred tax accounting using profit and loss approach, which focused on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under Indian GAAP.

In addition, the various transitional adjustments have led to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**RECONCILIATION OF NET WORTH AND NET INCOME BETWEEN INDIAN GAAP AND IND AS FINANCIAL STATEMENTS****A) Reconciliation of shareholder's equity as per Indian GAAP and Ind AS financial statements**

(Rs in '000)

Particulars	Note	As at 31st March 2019	As at 1st April 2018
<b>Networth as reported under Previous GAAP</b>			
Share Capital		1,00,277.77	1,00,277.77
Equity		1,242.54	1,192.81
<b>Total Shareholder's equity as per Previous GAAP</b>		<b>1,01,520.31</b>	<b>1,01,470.58</b>
<b>Adjustments under Ind AS</b>			
Gain/(loss) on fair value of investments	(a)	124.50	662.06
Impairment of financial instruments (ECL)	(b)	-2,891.62	-3,009.50
Deferred Tax impact on above adjustments	(c)	-750.88	-645.25
Total impact on networth		<b>-2,016.24</b>	<b>-1,702.19</b>
<b>Total Shareholder's equity as per Ind AS Financial Statements</b>		<b>99,504.08</b>	<b>99,768.39</b>

**B) Reconciliation of total comprehensive income as per Ind AS with profit reported under previous GAAP:**

(Rs in '000)

Particulars	Note	As at 31st March 2019
<b>Net Profit as reported under Previous GAAP</b>		<b>40.27</b>
Gain/(Loss) on fair valuation of Investments classified as FVTPL as per Ind AS	(a)	-537.56
(Decrease)/Increase in Provision for Expected credit loss (ECL)	(b)	-127.35
Deferred Tax impact on above adjustments	(c)	-105.63
<b>Net Profit/(Loss) as per Ind AS</b>		<b>-264.31</b>
Other Comprehensive Income (Investments at FVTOCI)		-
Deferred Tax impact on above adjustments		-
<b>Total Comprehensive Income / (Loss) as per Ind AS</b>		<b>-264.31</b>

**C) Reconciliation of Statement of Cash Flows**

There were no material differences between the statement of cash flows presented under Ind AS and the previous GAAP.

**NOTES TO THE RECONCILIATION****(a). Fair valuation of investments**

Under the previous Indian GAAP, investments in equity instruments, preference shares and mutual funds, were classified as long-term investments or current investments based on intended holding period and realizability. Longterm investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognized in other equity as at the date of transition and subsequently in the statement of profit or loss for the year ended March 31, 2019.

This has resulted in increase in retained earnings in April 2018 by Rs 662.06 thousands and increased in retained earnings in March 2019 by Rs 124.50 thousands with corresponding effect on deferred tax of Rs 170.48 thousands in April 2018 and with Rs 32.06 thousands in March' 2019

Further under previous GAAP sale and purchase of investments held as stock in trade were recorded in the statement of profit and loss as revenue and expenses, which is now eliminated and shown as Net gain/(loss) through FVTPL. Company has elected to designate its investments which are held in trade/stock in trade at FVTPL as on the date of transition and in subsequent years

Further the Company has irrevocably elected both quoted and unquoted investments, which are held for long term strategic considerations at FVTOCI. However there were no movement in this category, since most of the investments are unquoted and valued at transaction value. Hence fair value of such unquoted investments approximates fair value.

**(b). Impairment of financial instruments**

Under Ind AS provisions for losses are required to be computed as per the impairment principles laid out in Ind AS 109 'Financial Instruments' which prescribes the expected credit loss model (ECL model) for the same. Accordingly, the difference between provisions as computed under previous GAAP and as computed under Ind AS is adjusted in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2019.

This has resulted in reduction in retained earnings in April 2018 by Rs 3009.50 thousands and reduction in retained earnings in March 2019 by Rs 2891.62 thousands with corresponding effect on deferred tax of Rs -(815.73) thousands in April 2018 and with Rs -(782.94) thousands in March' 2019

Further reversal of impairment loss of Rs 127.35 thousands was recognised to statement of profit and loss for the year ended March 31, 2019.

**(C). Deferred tax**

Indian GAAP required deferred tax accounting using profit and loss approach, which focused on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under Indian GAAP.

In addition, the various transitional adjustments have led to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity. Accordingly various deferred tax adjustments as mentioned in note (a) and note (b) are made in correlation to the underlying transactions

**(D) Further there were no items which could be designated at FVTOCI pursuant to transition in Ind AS**



## Notes forming part of the Standalone Financial Statements

### Note No. : 30 Other disclosures (Continued)

#### 8) Financial instruments - Accounting, Classification and Fair value measurements

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 and Note 5 to the standalone financial statements.

#### A) Financial instruments by category

As at 31st March, 2020 (Rs in '000)

Particulars	Note No	Amortised Cost	FVTOCI	FVTPL	Cost	Total Carrying Value
<b>1) Financial assets</b>						
Cash and cash equivalents	9	164.24	-	-	-	164.24
Trade receivables	10	-	-	-	-	-
Loans	11	59,410.10	-	-	-	59,410.10
Investments	12	-	14,941.10	1,411.95	22,000.00	38,353.05
Other financial assets	13	0.74	-	-	-	0.74
<b>TOTAL</b>		<b>59,575.08</b>	<b>14,941.10</b>	<b>1,411.95</b>	<b>22,000.00</b>	<b>97,928.13</b>
<b>2) Financial Liabilities</b>						
Trade Payables	16	-	-	-	-	-
Borrowings	17	-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31st March, 2019 (Rs in '000)

Particulars	Note No	Amortised Cost	FVTOCI	FVTPL	Cost	Total Carrying Value
<b>1) Financial assets</b>						
Cash and cash equivalents	9	364.20	-	-	-	364.20
Trade receivables	10	625.00	-	-	-	625.00
Loans	11	56,521.42	-	-	-	56,521.42
Investments	12	-	14,216.10	4,483.97	22,000.00	40,700.07
Other financial assets	13	8.79	-	-	-	8.79
<b>TOTAL</b>		<b>57,519.40</b>	<b>14,216.10</b>	<b>4,483.97</b>	<b>22,000.00</b>	<b>98,219.47</b>
<b>2) Financial Liabilities</b>						
Trade Payables	16	-	-	-	-	-
Borrowings	17	-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 1st April, 2018 (Rs in '000)

Particulars	Note No	Amortised Cost	FVTOCI	FVTPL	Cost	Total Carrying Value
<b>1) Financial assets</b>						
Cash and cash equivalents	9	782.92	-	-	-	782.92
Trade receivables	10	-	-	-	-	-
Loans	11	60,190.00	-	-	-	60,190.00
Investments	12	-	12,751.10	3,216.83	22,000.00	37,967.93
Other financial assets	13	-	-	-	-	-
<b>TOTAL</b>		<b>60,972.92</b>	<b>12,751.10</b>	<b>3,216.83</b>	<b>22,000.00</b>	<b>98,940.85</b>
<b>2) Financial Liabilities</b>						
Trade Payables	16	-	-	-	-	-
Borrowings	17	1.62	-	-	-	1.62
<b>TOTAL</b>		<b>1.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.62</b>

### Note No. : 30 Other disclosures (Continued)

#### B. Fair value hierarchy

(1) The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

(2) The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instrument:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates

Carrying value of investments in unquoted shares approximates cost at which they are purchased

(i) Financial assets measured at fair value on a recurring basis as at 31st March, 2020:

(Rs in '000)

Particulars	Level 1	Level 2	Level 3	Total
<b>1) Financial assets</b>				
(i) Investments in Equity Instruments				
At FVTOCI	10.10	-	14,931.00	14,941.10
(ii) Investments in Equity Instruments				
At FVTPL	891.95	-	520.00	1,411.95
<b>Total</b>	<b>902.05</b>	<b>-</b>	<b>15,451.00</b>	<b>16,353.05</b>

(ii) Financial assets measured at fair value on a recurring basis as at 31st March, 2019:

(Rs in '000)

Particulars	Level 1	Level 2	Level 3	Total
<b>1) Financial assets</b>				
(i) Investments in Equity Instruments				
At FVTOCI	10.10	-	14206.00	14216.10
(ii) Investments in Equity Instruments				
At FVTPL	1,963.97	-	2520.00	4483.97
<b>Total</b>	<b>1,974.07</b>	<b>-</b>	<b>16726.00</b>	<b>18700.07</b>

(iii) Financial assets measured at fair value on a recurring basis as at 1st April, 2018:

(Rs in '000)

Particulars	Level 1	Level 2	Level 3	Total
<b>1) Financial assets</b>				
(i) Investments in Equity Instruments				
At FVTOCI	10.10	-	12,741.00	12751.10
(ii) Investments in Equity Instruments				
At FVTPL	2,696.83	-	520.00	3216.83
<b>Total</b>	<b>2,706.93</b>	<b>-</b>	<b>13261.00</b>	<b>15967.93</b>

**Above investments excludes subsidiaries, since they are carried at cost**

There have been no transfer between Level 1 and Level 3 for the years ended 31st March 2020 and 31st March 2019

**The following methods and assumptions were used to estimate the fair values**

**Financial instruments measured at fair value**

(i) Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available than different valuation technique are used by the management for different investments.

Certain investments in equity instruments are not held for trading. Instead, they are held for long term strategic purposes, hence The Company has chosen to designate these investments in equity instruments at FVOCI since, it provides a more meaningful presentation.

Further investments which are held for trading and company considers them as stock in trade are designated through FVTPL

Level 1 investments are valued at the quoted closing price on stock exchange. Investments included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value.

Cost of unquoted equity instruments have been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

As at 31st March, 2020, 31st March, 2019 and 1st April, 2018, the company did not hold any financial assets or financial liabilities which could have been categorized as Level 2

**Financial instruments not measured at fair value**

(ii) Financial assets not measured at fair value include cash and cash equivalents, trade receivables, loans and other financial assets.

These are financial assets whose carrying amounts approximate fair value, due to their short term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL whose carrying amounts approximate fair value, because of their short-term nature.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

**Note No. : 29 Other disclosures (Continued)**

**9) Financial risk management objectives and policies**

The Company's principal financial liabilities are Borrowings and Trade payables characterised with repayable in short period and beside that there exists no other financial liabilities .

The Company's principal financial assets include Trade receivables, Cash and cash equivalents, Investments in equity shares & other financial assets that derive directly from its operations.

The Company is not generally exposed to credit risk as most of its Trade receivables are repayed in short period .

However it is still exposed to liquidity risk and market risk. The company's Senior management oversees the management of these risks, and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of these risks, which are summarized below :

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, credit risks and other risks, such as regulatory risk and commodity price risk.

**(I) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations towards Bank overdraft and other short term borrowings with floating interest rates, but since it is for short duration it doesn't cast significant risk owing to this exposure.

**(II) Regulatory risk**

Risk is inherent in every business activity and business activity such as investments in shares and securities are no exception..

The sector in which Company operates displays strong Security characteristics and is subject to cyclical price movements

The company is exposed to risks from various sects of Regulator which governs the operation carried out by the Company.

by way of SEBI'S Policy , Rules and Regulations , other Government polices , law of the land , Taxation etc which effects the financial performance of the company.

**(B) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss

Based on Company's past history and the model under which company operates doesn't cast significant credit risk leading to impairment of its financial assets

**(I) Trade receivables**

Trade receivables are non-interest bearing and do not involve Significant financing cost, hence Transaction value approximates fair value for Trade receivables.

An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Based on Company's past history and the model under which it works where it obtains most of the revenue generated from operation in advance, Company

does not provide for allowances for expected credit loss during the period under review.

**The ageing analysis of the receivables has been considered from the date the invoice falls due**

Particulars	As at 31st March 2020	As at 31st March 2019
Upto 6 months	8,55,621	-
6 to 12 months	-	-
More than 12 months	-	-
	<u>8,55,621</u>	<u>-</u>

**(10) Balances with banks**

Credit risk from balances with banks is managed in accordance with the Company's policy

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31st March, 2020 and 31st March, 2019 is the carrying amounts as stated under Note No. 6 and 10

**(C) Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and other short term borrowings

**Note No. : 29 Other disclosures (Continued)****11) Capital Management****(a) Risk management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term Strategic investments and expansion plans.

The funding needs are met through equity, cash generated from operations, short term borrowings and through use of bank overdrafts.

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders. The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances investments if any.

**The table below summarises the capital, net debt and net debt to equity ratio of the Company.**

Particulars	As at 31st March 2020	As at 31st March 2019
Equity share capital	31400000	31400000
Other Equity	-3,44,362	5,85,949
<b>Total Equity</b>	<b>(A) 3,10,55,638</b>	<b>3,19,85,949</b>
Non current borrowings	-	-
Short term borrowings	4,72,667	3,05,399
<b>Gross Debt</b>	<b>(B) 4,72,667</b>	<b>3,05,399</b>
<b>TOTAL CAPITAL</b>	<b>(A+B) 3,15,28,305</b>	<b>3,22,91,348</b>
Gross Debt as above	4,72,667	3,05,399
Less: Cash and cash equivalents	1,51,267	1,34,426
Less: Other balances with banks (including non-current earmarked balances)	10,68,027	10,01,231
<b>NET DEBT</b>	<b>C -7,46,627</b>	<b>-8,30,258</b>
<b>NET DEBT TO EQUITY</b>	<b>-0.02</b>	<b>(0.03)</b>

12) The previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of the current year's figures.

## Notes forming part of the Standalone Financial Statements

### Note No. : 31 Risk Management

#### 1) Financial risk management

Risk is an integral part of the Company's business and sound risk management is critical to success. The Company's primary business are reflected based on the principal business carried out i.e. loans and investments (and all other activities of the company revolve around the main business), hence the company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit risk, liquidity risk and market risk.

Since the company is Systematically non-important and non-deposit taking NBFC, and also in terms of Sub -Regulation (5) of Regulation 21 of SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015 as amended, the Company is not required to have Risk Management Committee, but as a prudence the Board of Directors of the Company oversees the overall risk management approach, risk management strategies, procedures and principles.

The senior management provides assurance that the Company's financial risks are identified, measured and managed in accordance with the Company's internal guidelines and risk objectives

#### a) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Company.

The Company's main income generating activity inter-alia is lending to customers and therefore credit risk is a principal risk.

Credit risk mainly arises from loans and advances which are in entirety payable on demand.

The credit risk management guideline of the company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- > Standardise the process of identifying new risks and having in place appropriate controls for these risks
- > Maintain an appropriate credit administration and loan review system
- > Establish metrics for portfolio monitoring
- > Minimize losses due to defaults or untimely payments by borrowers and implementing appropriate risk mitigation techniques.

In order to mitigate the impact of credit risk in the future profitability, the company makes reserves basis the Expected Credit Loss (ECL) Model for the outstanding loans including interest accrued but not due and interest overdue therein at balance sheet date. Asset classification is as per Reserve Bank of India guidelines and provisions is as per Expected Credit Loss Methodology as per Ind AS, which ever is higher than the minimum required as per prudential norms.

The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

#### The mechanics of ECL

Ind AS requires the company to calculate ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cashflows that the company expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

**Probability of default (PD)** - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

**Exposure at default (EAD)** - The exposure at default is an estimate of the exposure at a future default date.

The outstanding balance (including the interest accrued but not due and interest overdue) at the reporting date is considered EAD by the Company.

Since all the loans given by the company are repayable on demand, in this specific of on-demand repayable loan there are two options

- 1) The borrower is able to pay immediately (if demanded) or
- 2) The borrower is not able to pay immediately

Hence the company examines whether the borrower has sufficient liquid assets to repay the loan immediately. If the borrower has sufficient liquid assets (cash and cash equivalents) to repay the outstanding loan including interest accrued therein, then ECL is close to zero, because probability of default is zero

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL Calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of the qualitative assessment of whether a customer is in default, the company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

However, the probability of loss (PD) is not zero, if the company assess that the borrower has no sufficient liquid assets to repay the loan when demanded and accordingly the Company estimates the PD based on historical observed default rates adjusted for forward looking estimates, based upon macro-economic developments occurring in the economy and market it operates in and the relationship between key economic trends like GDP, benchmark rates set by the Reserve Bank of India, inflation and most importantly the competitive advantage and disadvantage the company has in comparison to its peer group(s).

Based upon the above facts, the Company has assessed the following PD Percentage as at 31st March, 2020, while PD percentages for 31st March 2019 and on the date of transition remain same at 5%

#### **Category**

##### **Loans: Unsecured and repayable on demand**

Stage 1: All Standard loans in the above category upto 30 days past due (DPD) are considered as Stage 1 assets for computation of ECL

Stage 2: Exposure under Stage 2 include under-performing loans having 31 to 90 days past due (DPD) for computation of ECL

Stage 3: Exposure under Stage 2 include non-performing loans with overdue more than 90 days past due (DPD).

Based upon historical data the Company assigns PD to Stage 1 and Stage 2 and applies it to the EAD to compute the ECL.

For Stage 3 assets PD is considered as 100%

31st March, 2020

Pools	Stage 1	Stage 2	Stage 3
Unsecured loans, repayable on demand	5%	5%	100%
<b>31st March, 2019</b>			
Pools	Stage 1	Stage 2	Stage 3
Unsecured loans, repayable on demand	5%	5%	100%
<b>1st April, 2018</b>			
Pools	Stage 1	Stage 2	Stage 3
Unsecured loans, repayable on demand	5%	5%	100%

**Loss given default (LGD)** - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Since the company's loan portfolio mainly comprises of unsecured loans (repayable on demand), Loss given default (LGD) is always close to 100%.

Pools	31-03-2020	31-03-2019	01-04-2018
Unsecured loans, repayable on demand	100%	100%	100%

The Company has applied internal guidelines to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. Probability of default is consistent as mentioned above and LGD are always near to 100% since the loans are unsecured. Further the company is assessing on the continuous basis the likelihood of increased credit risk and reasonable hair cuts in view of the Covid-19 pandemic.

The number of days past due shall exclude the moratorium period if any availed by the borrower for the purposes of asset classification as per the Company's internal guidelines.

**Further refer note no 11 which provides information about exposure to credit risk and ECL on loan**

#### **Trade receivables**

Trade receivables are non-interest bearing and do not involve significant financing cost, further all the receivables are of short term in nature, hence transaction value approximates fair value for trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk.

An impairment analysis is performed at each balance sheet date on an individual basis for major clients.

In addition, number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Based on Company's past history and the model under which it works, where it obtains most of the revenues on cut off dates or on settlement date, the Company does not provide for loss allowances during the reporting period.

#### **h) Liquidity Risk**

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

**Refer note 32 for analysis of maturities of financial assets and financial liabilities.**

#### **c) Market Risk**

Market risk arises when movements in market factors (interest rates, credit spreads, equity prices etc.) impact the Company's income or market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximizing returns.

#### **(i) Equity price**

The Company's exposure to equity price risk arises primarily on account of investments in equity instruments (both short term and long term). The Company designates its investments in equity instruments based upon its business model. Investments which are held for trading are fair valued through profit and loss, whereas investments which are held for long term and strategic purpose are fair valued through Other comprehensive income. The Company's equity price risk is managed in accordance with the objective of the Company and as approved by the senior management of the Company.

#### **(ii) Interest Rate Risk**

The Company is exposed to Interest rate risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loan given to customers.

Such instrument exposes the Company to fair value interest rate risk. Management believes that the interest rate risk attached to these financial assets is not significant due to the nature of these financial assets.

#### **d) Operational And Business Risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. when controls fails to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

## **Note No. : 36 Risk Management**

### **2) Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company

The Company determines the amount of capital required on the basis of recurring business plan coupled with long term and short term Strategic investments and expansion plans.

The funding needs are met through equity, cash generated from operations, short term borrowings and through use of bank overdrafts if required

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirement of the financial covenants if any.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

## Notes forming part of the Standalone Financial Statements

### Note No. : 32 MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

(Rs in '000)

Particulars	As at 31 March, 2020		
	Total	Within 12 months	After 12 months
<b>I. Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	164.24	164.24	-
Trade receivables	-	-	-
Loans	59,410.10	59,410.10	-
Investments	38,353.05	1,411.95	36,941.10
Other financial assets	0.74	0.74	-
	<b>97,928.13</b>	<b>60,987.03</b>	<b>36,941</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	751.40	751.40	-
Deferred tax assets (net)	797.09	-	797.09
	<b>1,548.49</b>	<b>751.40</b>	<b>797.09</b>
<b>Total Assets</b>	<b>99,476.62</b>	<b>61,738.43</b>	<b>37,738.19</b>
<b>II. Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	-	-	-
Borrowings	-	-	-
Other financial liabilities	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Financial Liabilities</b>			
Other non-financial liabilities	164.11	164.11	-
	<b>164.11</b>	<b>164.11</b>	<b>-</b>
<b>Total Liabilities</b>	<b>164.11</b>	<b>164.11</b>	<b>-</b>
<b>Net Assets</b>	<b>99,312.51</b>	<b>61,574.32</b>	<b>37,738.19</b>

(Rs in '000)

Particulars	As at 31 March, 2019		
	Total	Within 12 months	After 12 months
<b>I. Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	364.20	364.20	-
Trade receivables	625.00	625.00	-
Loans	56,521.42	56,521.42	-
Investments	40,700.07	4,483.97	36,216.10
Other financial assets	8.79	8.79	-
	<b>98,219.47</b>	<b>62,003.37</b>	<b>36,216.10</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	692.21	692.21	-
Deferred tax assets (net)	750.88		750.88
	<b>1,443.10</b>	<b>692.21</b>	<b>750.88</b>
<b>Total Assets</b>	<b>99,662.56</b>	<b>62,695.58</b>	<b>36,966.98</b>
<b>II. Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	-	-	-
Borrowings	-	-	-
Other financial liabilities	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Financial Liabilities</b>			
Other non-financial liabilities	158.49	158.49	-
	<b>158.49</b>	<b>158.49</b>	<b>-</b>
<b>Total Liabilities</b>	<b>158.49</b>	<b>158.49</b>	<b>-</b>
<b>Net Assets</b>	<b>99,504.08</b>	<b>62,537.10</b>	<b>36,966.98</b>

(Rs in '000)

Particulars	As at 1 April, 2018		
	Total	Within 12 months	After 12 months
<b>I. Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	782.92	782.92	-
Trade receivables	-	-	-
Loans	60,190.00	60,190.00	-
Investments	37,967.93	3,216.83	34,751.10
Other financial assets	-	-	-
	<b>98,940.85</b>	<b>64,189.75</b>	<b>34,751.10</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	299.81	299.81	-
Deferred tax assets (net)	645.25		645.25
	<b>945.06</b>	<b>299.81</b>	<b>645.25</b>
<b>Total Assets</b>	<b>99,885.91</b>	<b>64,489.55</b>	<b>35,396.35</b>
<b>II. Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	-	-	-
Borrowings	1.62	1.62	-
Other financial liabilities	-	-	-
	<b>1.62</b>	<b>1.62</b>	<b>-</b>
<b>Non-Financial Liabilities</b>			
Other non-financial liabilities	115.90	115.90	-
	<b>115.90</b>	<b>115.90</b>	<b>-</b>
<b>Total Liabilities</b>	<b>117.52</b>	<b>117.52</b>	<b>-</b>
<b>Net Assets</b>	<b>99,768.39</b>	<b>64,372.04</b>	<b>35,396.35</b>



## Notes forming part of the Standalone Financial Statements

### Note No. : 33(1) Disclosure Pursuant to Reserve Bank of India Circular Dated 13 March, 2020

1)

Disclosure pursuant to Reserve Bank of India (RBI) Circular No.RBI/2019-20/170 DOR (NBFC).CC.PD

No.109/22.10.106/2019-20

Appendix based on above RBI Notification dated 13 March, 2020 on Implementation of Indian Accounting Standards (Ind AS)

(Rs in '000)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 Provisions and IRACP NORMS
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
<b>Performing Assets</b>						
Standard	Stage 1	62,701.43	3,291.33	59,410.10	161.44	3,129.88
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		62,701.43	3,291.33	59,410.10	161.44	3,129.88
<b>Non-Performing Assets (NPA)</b>						
Sub-Standard	Stage 3	-	-	-	-	-
Doubtful upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
more than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for loss		-	-	-	-	-
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		-	-	-	-	-
<b>Total</b>	Stage 1	62,701.43	3,291.33	59,410	161.44	3,129.88
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	<b>Total</b>	62,701.43	3,291.33	59,410.10	161.44	3,129.88

(Rs in '000)

Particulars	Amount In Rs		
	As at March, 2020	As at March, 2019	As at 1st April, 2018
Provision as per RBI Prudential Norms			
Standard Asset	0.16	148.93	158.40
Sub-Standard Asset	-	-	-
Doubtful Asset	-	-	-
Loss Asset	-	-	-
<b>Total</b>	<b>0.16</b>	<b>148.93</b>	<b>158.40</b>

a) Asset classification is as per Reserve Bank of India guidelines and provisions is as per Expected Credit Loss methodology as per Ind AS which is higher than minimum required as per prudential norms

b) As the ECL provisions is higher than provision required under IRACP (Income Recognition, Assets classification & provisioning, there is no requirement to create Impairment allowance reserve.

### Note No. : 33(2) Fraud

During the year there have been no such instances of fraud on the Company by the officers and employees, whether loan related misappropriations or cash embezzlements/ burglaries

### Note No. : 33(3) Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.



**INSERT STANDALONE FINANCIAL RESULTS – STANDALONE ALONG WITH NOTES**



**SCHEDULE TO THE BALANCE SHEET OF SCINTILLA COMMERCIAL & CREDIT LTD AS ON 31.03.2020 AS REQUIRED IN TERMS OF PARAGRAPH 13 OF A NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2015**

**PARTICULARS****(Rs. In '000)****LIABILITIES SIDE**

<b>1</b>	<b>LOANS AND ADVANCES AVAILED BY THE NBFCs INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID:</b>	<b>AMOUNT OUTSTANDING</b>	<b>AMOUNT OVERDUE</b>
	DEBENTURES		
a	<ul style="list-style-type: none"> <li>• SECURED</li> </ul>	NIL	NIL
	<ul style="list-style-type: none"> <li>• UNSECURED (OTHER THAN FALLING WITHIN THE MEANING OF PUBLIC DEPOSITS*)</li> </ul>	NIL	NIL
b	DEFERRED CREDITS	NIL	NIL
c	TERM LOANS	NIL	NIL
d	INTER – CORPORATE LOANS AND BORROWINGS	NIL	NIL
e	COMMERCIAL PAPER	NIL	NIL
f	OTHER LOANS ( SPECIFY NATURE )	NIL	NIL
	*Please see note -1 below		

**ASSETS SIDE**

<b>2</b>	<b>BREAK UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES OTHER THAN THOSE INCLUDED IN (4) BELOW:</b>	<b>AMOUNT OUTSTANDING</b>
	<ul style="list-style-type: none"> <li>• SECURED</li> </ul>	-
	<ul style="list-style-type: none"> <li>• UNSECURED</li> </ul>	59,410.10
<b>3</b>	<b>BREAK UP OF LEASED ASSETS AND STOCK ON HIRE AND OTHER ASSETS COUNTING TOWARDS AFC ACTIVITIES</b>	NIL
a	LEASE ASSETS INCLUDING LEASE RENTALS UNDER SUNDRY DEBTORS	
	<ul style="list-style-type: none"> <li>• FINANCIAL LEASE</li> </ul>	NIL



	<ul style="list-style-type: none"> <li>OPERATING LEASE</li> </ul>	NIL
b	STOCK ON HIRE INCLUDING HIRE CHARGES UNDER SUNDRY DEBTORS	
	<ul style="list-style-type: none"> <li>ASSETS ON HIRE</li> </ul>	NIL
	<ul style="list-style-type: none"> <li>REPOSSESSED ASSETS</li> </ul>	NIL
c	OTHER LOANS COUNTING TOWARDS AFC ACTIVITIES	NIL
	<ul style="list-style-type: none"> <li>LOANS WHERE ASSETS HAVE BEEN REPOSSESSED</li> </ul>	NIL
	<ul style="list-style-type: none"> <li>LOANS OTHER THAN (a) ABOVE</li> </ul>	NIL

<b>4</b>	<b>BREAK UP OF INVESTMENTS:</b>	
	CURRENT INVESTMENTS	
1.	QUOTED	
	<ul style="list-style-type: none"> <li>SHARES</li> </ul>	
	EQUITY	891.95
	PREFERENCE	NIL
	<ul style="list-style-type: none"> <li>DEBENTURES AND BONDS</li> </ul>	NIL
	<ul style="list-style-type: none"> <li>UNITS OF MUTUAL FUNDS</li> </ul>	NIL
	<ul style="list-style-type: none"> <li>GOVERNMENT SECURITIES</li> </ul>	NIL
	<ul style="list-style-type: none"> <li>OTHERS</li> </ul>	NIL
2.	UNQUOTED	
	<ul style="list-style-type: none"> <li>SHARES</li> </ul>	
	(i) EQUITY	15,451.00
	(ii) PREFERENCE	NIL
	<ul style="list-style-type: none"> <li>DEBENTURES AND BONDS</li> </ul>	NIL
	<ul style="list-style-type: none"> <li>UNITS OF MUTUAL FUNDS</li> </ul>	NIL
	<ul style="list-style-type: none"> <li>GOVERNMENT SECURITIES</li> </ul>	NIL
	<ul style="list-style-type: none"> <li>OTHERS</li> </ul>	NIL



	LONG TERM INVESTMENTS	NIL		
1.	QUOTED			
	• SHARES			
	(i) EQUITY	NIL		
	(ii) PREFERENCE	NIL		
	• DEBENTURES AND BONDS	10.10		
	• UNITS OF MUTUAL FUNDS	NIL		
	• GOVERNMENT SECURITIES	NIL		
	• OTHERS	NIL		
2.	UNQUOTED			
	• SHARES			
	(i) EQUITY	362.16		
	(ii) PREFERENCE	NIL		
	• DEBENTURES AND BONDS	NIL		
	• UNITS OF MUTUAL FUNDS	NIL		
	• GOVERNMENT SECURITIES	NIL		
	• OTHERS	NIL		
5	<b>BORROWER GROUP WISE CLASSIFICATION OF ASSETS FINANCED AS IN (2) AND (3) ABOVE: Please Note 2 below</b>			
	<b>CATEGORY</b>	<b>AMOUNT NET OF PROVISIONS</b>		
		<b>SECURED</b>	<b>UNSECURED</b>	<b>TOTAL</b>
1.	RELATED PARTIES **			
	(a) SUBSIDIARIES	NIL	NIL	NIL
	(b) COMPANIES IN THE SAME GROUP	NIL	NIL	NIL
	(c) OTHER RELATED PARTIES	NIL	13.78	13.78
2.	OTHER THAN RELATED PARTIES	NIL	581.84	581.84
	<b>TOTAL</b>	NIL	595.62	595.62



<b>6 INVESTOR GROUP WISE CLASSIFICATION OF ALL INVESTMENTS (CURRENT AND LONG TERM) IN SHARES AND SECURITIES (BOTH QUOTED AND UNQUOTED):</b> please see note 3 below as per Accounting Standard of ICAI		
<b><u>CATEGORY</u></b>	<b><u>MARKET VALUE /BREAK UP OR FAIR VALUE OR NAV</u></b>	<b><u>BOOK VALUE (NET OF PROVISION)</u></b>
<b>1. RELATED PARTIES **</b>		
(a) SUBSIDIARIES	220.00	220.00
(b) COMPANIES IN THE SAME GROUP	NIL	NIL
(c) OTHER RELATED PARTIES	142.06	142.06
<b>2. OTHER THAN RELATED PARTIES</b>	0.10	0.10
<b>TOTAL</b>	<b>362.16</b>	<b>362.16</b>
<b>7 OTHER INFORMATION:</b>		
	<b>PARICULARS</b>	<b>AMOUNT</b>
I	GROSS NON- PERFORMING ASSETS	
	(a) RELATED PARTIES	NIL
	(b) OTHER THAN RELATED PARTIES	NIL
II	NET NON- PERFORMING ASSETS	
	(a) RELATED PARTIES	NIL
	(b) OTHER THAN RELATED PARTIES	NIL
III	ASSETS ACQUIRED IN SATISFACTION OF DEBTS	NIL

**NOTES:**

1. As defined in paragraph 2 (1) (xii) of the **Non – Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.**
2. Provisioning Norms shall be applicable as prescribed in **Non-Systemically Important Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve bank) Direction, 2015.**
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of Investments and other assets as also assets acquired in satisfaction of debts. However, Market value in respect of quoted investment and break – up / fair value/ NAV in respect on unquoted investment should be disclosed irrespective of whether they are classified as long term or current in ( 4 ) above .



**INSERT INDEPENDENTS AUDITORS REPORT – CONSOLIDATED**

# **INDEPENDENT AUDITOR'S REPORT**

**TO  
THE MEMBERS OF SCINTILLA COMMERCIAL & LIMITED**

**REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

## **Opinion**

We have audited the accompanying Consolidated Ind AS Financial Statements of **Scintilla Commercial & Limited** (herein after referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Ind AS Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, and based on the considerations of reports of other auditors on separate Ind AS financial statements, and on the other information of the subsidiaries, the aforesaid Consolidated Ind AS 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

## **Basis for Opinion**

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

## **Emphasis of Matter**

We draw attention to Note no. 5.13 of consolidated financial statements which explains the uncertainties and management's assessment of the financial impact due to the prevailing situation related to the Covid-19 pandemic on the future performance of the Group.

Our opinion is not modified in respect of above the matter



## 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 for the financial year ended March 31, 2020. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statement section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of risks of material misstatement of the consolidated financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### Description of Key Audit Matter

**Transition to Ind AS accounting framework (as described in note 8 and note 31(1) of the consolidated Ind AS financial statements)**

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	In accordance with the roadmap for implementation of Indian Accounting Standards (Ind AS) for non-banking financial companies, as announced by the Ministry of Corporate Affairs ('the MCA'), the Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods upto and including the year ended March 31, 2019, the Group had prepared and presented its consolidated financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP"). In order to give effect of the transition to Ind AS,	<p><b><u>Our audit procedures included:</u></b></p> <p>In our audit approach, we assessed the impact of the transition to Ind AS and discussed with the management regarding the policies and procedures adopted for such transition. Our audit procedures included:</p> <ol style="list-style-type: none"><li>1) Read the Ind AS impact assessment performed by the management and the resultant changes made to the accounting policies considering the requirements of the new framework.</li><li>2) Assessed the judgement exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of assets and liabilities existing as at transition date.</li><li>3) Read changes made to accounting policies and estimates in light of the requirements</li><li>4) We understood the financial statement closure process and the additional controls established by the Company for transition to Ind AS.</li><li>5) Assessed the judgement applied by the</li></ol>

	<p>these consolidated financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS.</p> <p>The transition has involved significant changes in the Group's financial reporting policies and processes, including generation of reliable and supportable financial information. Further the management has exercised significant judgement for giving an appropriate effect of the first-time adoption principles of Ind AS 101, as at transition date and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under relevant accounting standards, to the extent applicable.</p> <p>In view of the material impact and complexities and significant judgement involved in implementing Ind AS, we have focused on this area in our audit.</p>	<p>Company in determining its business model for classification of financial assets.</p> <p>6) Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</p> <p>7) Assessed the judgement applied by the Company in respect of areas where the accounting treatment adopted or the disclosures made under the new accounting framework were inconsistent with the extant RBI Directions.</p> <p>8) Assessed disclosures made by the management for compliance with Ind AS.</p>
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**Provision for Expected Credit Losses (ECL) on Loans (refer note no 5.4(f), note no. 11 note no. 32(1) and (2) to the Consolidated Financial Statements)**

<b>Sr. No.</b>	<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
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<p>2.</p>	<p>Management estimates impairment provision using Expected Credit loss model for the loan assets. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p> <p>Timely identification and classification of the impaired loans.</p> <p>Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the premise that loans made by the company are unsecured and relevant factors</p> <p>The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgments and estimates. Following are points with increased level of audit focus:</p> <ul style="list-style-type: none"> <li>➤ Classification of assets to stage 1, 2 or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's Covid-19 regulatory circulars.</li> <li>➤ Accounting interpretations, assumptions and data used to build the models;</li> <li>➤ Inputs and judgements used by the management at various assets stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of</li> </ul>	<p><u><b>Our audit procedures included:</b></u></p> <ol style="list-style-type: none"> <li>1) In our audit approach we assessed the basis upon which the ECL model is build and discussed with the management of the Company in order to understand the mechanics of ECL deployed by the company to measure the loan impairment.</li> <li>2) We examined that Board does not have approved policy for computation of ECL, but have in place the internal guidelines for computation of ECL. These internal guidelines address procedures and controls for assessing and measuring the credit risk on its loan portfolio.</li> <li>3) We evaluated the operating effectiveness of controls across the process relevant to ECL including the judgments and estimates.</li> <li>4) We evaluated the nature of loan assets of the company and held discussions with the management and assessed that the company has only one class of loan i.e. unsecured loans repayable on demand and 12 month ECL is just the same as lifetime ECL, because the all the loans are repayable on demand, which is shorter than 12 months as a result life time of a loan is that short period required to transfer cash when demanded by the company.</li> <li>5) We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2020 by reconciling it with the balances as per loan balance register as on date.</li> <li>6) We tested assets on sample basis to verify that they were allocated to the appropriate stage.</li> <li>7) For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD</li> <li>8) For forward looking assumptions used in ECL calculations, we held discussions with management, assessed the assumptions used to determine the probability weights assigned to the possible outcomes. During our examination we assessed that company the company estimates the PD based on</li> </ol>
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	<p>the Covid-19 pandemic</p> <p>➤ The disclosures made in the financial statements for ECL especially in relation to judgements and estimates made by the management in determination of the ECL.</p> <p>Considering the significance of such allowances to the overall financial statements and degree of judgement and estimation involved in computation of expected credit losses, this area is considered as key audit matter.</p>	<p>historical observed default rates adjusted for forward looking estimates, based upon macro-economic developments occurring in the economy and market it operates in.</p> <p>9) We performed an overall assessment of the ECL provision including the management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macro-economic environment. We held discussions with the management on its assessment on Covid-19 impact and we assessed that management does not expect any significant haircuts in view of Covid-19. However, we could not assess the appropriateness of the future scenarios and assumptions made by the management in response to Covid-19 related economic uncertainty as we do not have the access of the detailed data (like Income tax returns, financial statements, projected financial statements, cash flow statements etc.) of the borrowers of the company.</p> <p>10) We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to judgements used in estimation of ECL provisions.</p>
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**Statutory and Legal Matters (Refer Note no. 31(2)(c))**

<b>Sr. No.</b>	<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
3.	<p>The Company received a notice from BSE dated August 10, 2017 regarding issue related to suspected shell companies. BSE requested to submit various documents from time to time in this regard along with the queries and other information from the Company. Further BSE appointed M/s BDO India LLP, Chartered Accountants to carry out the forensic audit of the Company. The Company</p>	<p><b><i>Our audit procedures included:</i></b></p> <ol style="list-style-type: none"> <li>1) We have checked up the order of the BSE issued pursuant to the SEBI's aforesaid directions and other relevant correspondence with the BSE and with the forensic auditors appointed by the BSE in this regard since inception.</li> <li>2) We have also checked all the relevant legal petitions, applications, affidavits, rejoinders, inter- locutory applications as filed by the Company with Hon'ble High Court at Kolkata.</li> <li>3) We communicated with the Management</li> </ol>

	replied to all the queries issued by the BSE and provided all the necessary information /documents to the forensic auditors in this regard.	and those charged with Governance with respect to this matter and the Company is regular in replying to all the queries raised and all the documents sought by the Exchange (BSE) and by the forensic auditors. The forensic audit is in process and the matter is subjudice at present as on March 31, 2020
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### **Other Information**

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Holding Company' Annual report, but does not include the consolidated financial statements, and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information' in relation to other information in documents containing audited financial statements. We have nothing to report in this regard.

### **Responsibilities of Management 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 of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company and its subsidiary in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments

and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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 skepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the consolidated 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 Holding Company has adequate internal financial controls with reference to financial statements 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

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

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2020 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 and other financial information, in respect of two subsidiaries whose separate financial statements reflects total assets of Rs 42,152.78 thousand as at March 30, 2020, total revenue of Rs 1,342.35 thousand and net cash inflows of Rs 20,446.58 thousand for the year ended on that date, and as considered in the consolidated financial statements as at March 31, 2020. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management of the Holding Company. Our Opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by Section 143(3) of the Act, based on our audit and on the considerations of report of the other auditors on separate Ind AS financial statements and the other financial information of the subsidiaries, as noted in the 'Other Matter' paragraph, we report to the extent, applicable that

- a) We/the other auditors whose report we have relied upon 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 Ind AS financial statements
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Amendment Rules 2016.
  - e) On the basis of the written representations received from the Directors of the holding company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, none of the Group's companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matter' paragraph:
    - i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group in its consolidated Ind AS financial statements as at March 31, 2020 - (Refer Note 31(2) to the consolidated financial statements).
    - ii) The Holding Company and its Subsidiary Companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended March 31, 2020
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020 and in respect to the subsidiary companies, there were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2020.
- 2) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, and based on the consideration of reports of other statutory auditors of the subsidiaries



the managerial remuneration paid by the Holding Company to its Directors during the current year is in accordance with the provisions of Section 197 read with Schedule V to the Act and subsidiary companies has not paid/provided for managerial remuneration during the year under review

For and on behalf of

**C.K. CHANDAK & CO**

Chartered Accountants

Firm Registration Number: 326844E

**CA Chandra Kumar Chandak**

Partner

Membership Number: 054297

UDIN: 20054297AAAADG3893

Place: Kolkata

Date: 30/07/2020

## **Annexure –“A” to the Independent Auditors’ Report on the Consolidated Financial Statements**

**[Referred to in Paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the Members of Scintilla Commercial & Credit Limited on the Consolidated Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2020].**

### **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”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, We have audited the internal financial controls with reference to consolidated Ind AS financial statements of **Scintilla Commercial & Credit Limited** (hereinafter referred to as “the Holding Company”) and its Subsidiary Companies, which are Companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary Companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“the 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 Holding Company’s internal financial controls with reference to these consolidated Ind AS financial statements 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”) issued by the Institute of Chartered Accountants of India (“the ICAI”) and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated Ind AS financial statements. 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 with reference to these consolidated Ind AS financial statements 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effective 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to these consolidated Ind AS financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) 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 authorizations of the management and directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to these Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements 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 the internal financial controls with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 Holding Company and its Subsidiary Companies, which are Companies incorporated in India have, maintained in all material respects, an adequate internal financial controls with reference to these consolidated Ind AS financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements 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 (the 'Guidance Note').

## **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements in so far as it relates to these two Subsidiary Companies, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not qualified in respect of this matter.

For and on behalf of

**C.K. CHANDAK & CO**

Chartered Accountants

Firm Registration Number: 326844E

**CA Chandra Kumar Chandak**

Proprietor

Membership Number: 054297

UDIN: 20054297AAAADG3893

Place: Kolkata

Date: 30/07/2020



**INSERT STANDALONE FINANCIAL RESULTS – CONSOLIDATED ALONG WITH NOTES**

**SCINTILLA COMMERCIAL & CREDIT LIMITED**

**CONSOLIDATED BALANCE SHEET as at 31st March, 2020, 2019 and April 1, 2018**

**(Rs 'In 000)**

Particulars	Note No.	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
<b>I. ASSETS</b>							
<b>(1) Financial Assets</b>							
(a) Cash and cash equivalents	9	1,652.46		1,909.44		3,252.07	
(b) Receivables	10						
(i) Trade receivables		-		625.00		-	
(c) Loans	11	66,085.60		63,197.66		60,190.00	
(d) Investments	12	50,276.04		52,458.53		54,627.14	
(e) Other financial assets	13	0.74	1,18,014.84	8.79	1,18,199.40	-	1,18,069.21
<b>(2) Non-Financial Assets</b>							
(a) Current tax assets (net)	14	763.05		692.40		274.63	
(b) Deferred tax assets (net)	15	613.75		308.80		408.41	
(b) Goodwill on Consolidation		240.36		240.36		240.36	
(b) Other Non-financial assets	16	53.91	1,671.07	53.91	1,295.47	58.95	982.35
<b>Total Assets</b>			<b>1,19,685.91</b>		<b>1,19,494.87</b>		<b>1,19,051.56</b>
<b>II. LIABILITIES AND EQUITY</b>							
<b>Liabilities</b>							
<b>(1) Financial Liabilities</b>							
Payables	17						
(a) Trade payables							
(i) total outstanding dues of micro enterprises and small enterprises		-		-		-	
(i) total outstanding dues of creditors other than micro enterprises and small enterprises		-		-		-	
(c) Borrowings (other than debt securities)	18	-	-	-	-	1.62	1.62
<b>(2) Non-Financial Liabilities</b>							
(a) Other non-financial liabilities	19	589.31	589.31	493.69	493.69	270.10	270.10
<b>Total Liabilities</b>			<b>589.31</b>		<b>493.69</b>		<b>271.72</b>
<b>(3) Equity</b>							
(a) Equity share capital	20	1,00,277.77		1,00,277.77		1,00,277.77	
(b) Other equity	21	427.97		461.69		458.89	
<b>Equity attributable to equity holders of the parent</b>			<b>1,00,705.74</b>		<b>1,00,739.46</b>		<b>1,00,736.66</b>
(c) Non-Controlling Interest	34(2)		18,390.87		18,261.73		18,043.18
<b>Total Equity</b>			<b>1,19,096.61</b>		<b>1,19,001.19</b>		<b>1,18,779.84</b>
<b>Total Liabilities and Equity</b>			<b>1,19,685.91</b>		<b>1,19,494.87</b>		<b>1,19,051.56</b>
<b>Corporate Information</b>	1						
The accompanying notes 1 to 34 are an integral part of the consolidated financial statements							

As per our report of even date attached

For and on behalf of the Board of Directors

For C.K. CHANDAK & CO.  
Chartered Accountants  
Firm Registration No: 326844E

Sd/-  
CA Chandra Kumar Chandak  
Proprietor  
Membership No- 054297  
Place of Signature : Kolkata  
Date : 30/07/2020

Sd/-  
Radhika Maheswari  
Company Secretary

Sd  
Prabhat Marda  
Chief Financial Officer

Sd/-  
Jitendra Kumar Goyal  
Director

Sd/-  
Pankaj Marda  
Managing Director

**SCINTILLA COMMERCIAL & CREDIT LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the years ended 31st March 2020 and 2019 (R)**

Particulars	Note No	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue from operations</b>			
i) Interest income	22	4,589.76	4,975.59
ii) Net gain on fair value change	23	-	-
iii) Other operating income	24	0.74	1.47
<b>I Total Revenue from operations</b>		<b>4,590.50</b>	<b>4,977.06</b>
II Other Income	25	1,363.85	971.49
<b>III Total Income(I+II)</b>		<b>5,954.35</b>	<b>5,948.54</b>
<b>Expenses:</b>			
i) Net loss on fair value change	23	2,043.86	1,821.62
ii) Impairment of financial instruments	26	250.78	-
iii) Employee benefit expense	27	959.36	1,435.85
iv) Other expenses	28	2,906.93	2,337.81
<b>IV Total Expenses</b>		<b>6,160.94</b>	<b>5,595.27</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>(206.59)</b>	<b>353.27</b>
VI Exceptional Items	-	-	-
<b>VII Profit/(Loss) before tax (V + VI)</b>		<b>(206.59)</b>	<b>353.27</b>
<b>VIII Tax expense :</b>	29		
(1) Current tax		2.94	32.32
(2) Deferred tax		-304.95	99.61
(3) Tax adjustment for earlier years		-	-
<b>Total tax expense</b>		<b>-302.01</b>	<b>131.93</b>
<b>IX Profit/(Loss) for the period from continuing operations (VII - VIII)</b>		<b>95.42</b>	<b>221.35</b>
<b>X Profit/(Loss) for the year</b>		<b>95.42</b>	<b>221.35</b>
<b>XI Other Comprehensive Income / Loss</b>	30		
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be recycled to profit or loss		-	-
<b>Total other Comprehensive Income / Loss</b>		<b>-</b>	<b>-</b>
<b>XII Total Comprehensive Income for the year (X + XI)</b>		<b>95.42</b>	<b>221.35</b>
<i>(Comprising of profit/(loss) and other comprehensive income/(loss) for the year)</i>			
<b>XIII Net profit attributable to:</b>			
Owners of parent		-33.72	2.80
Non-controlling interests		129.14	218.55
<b>XIV Other comprehensive income attributable to:</b>			
Owners of parent		-	-
Non-controlling interests		-	-
<b>XV Total comprehensive income attributable to:</b>			
Owners of parent		-33.72	2.80
Non-controlling interests		129.14	218.55
<b>XVI Earnings per equity share (Nominal value per share Rs 10/-)</b>			
Basic and diluted (Refer Note no 31 (6))		<b>0.01</b>	<b>0.02</b>
<b>Number of shares used in computing earnings per share</b>			
Basic and diluted (Refer Note no 31 (6))		1,00,27,777	1,00,27,777
<b>Corporate Information</b>	1		
<b>The accompanying notes 1 to 34 are an integral part of the consolidated financial statements</b>			

As per our report of even date attached

For and on behalf of the Board of Directors

For C.K. CHANDAK & CO.  
Chartered Accountants  
Firm Registration No: 326844E

Sd/-  
CA Chandra Kumar Chandak  
Proprietor  
Membership No- 054297  
Place of Signature : Kolkata  
Date : 30/07/2020

Sd/-  
Radhika Maheswari  
Company Secretary

Sd  
Prabhat Marda  
Chief Financial Officer

Sd/-  
Jitendra Kumar Goyal  
Director

Sd/-  
Pankaj Marda  
Managing Director

Consolidated Statement of changes in Equity for the year ended 31st March 2020

(a) Equity Share capital:

For the year ended 31st March, 2020			For the year ended 31st March, 2019		
Balance as at 1st April, 2019	Changes in equity share capital during	Balance as at 31st March, 2020	Balance as at 1st April, 2018	Changes in equity share capital during	Balance as at 31st March, 2019
1,00,277.77	-	1,00,277.77	1,00,277.77	-	1,00,277.77

Particulars	Reserves and Surplus		Other Comprehensive Income	Total other equity	Non-controlling interest
	Retained Earnings	Statutory reserve			
Balance as at 1st April, 2019	-234.59	696.28	-	461.69	18,262
Changes in equity during the year ended 31st March, 2020					
Profit for the year	95.42			95.42	
Transfer to statutory reserve					
Non-controlling interest	-129.14			-129.14	129.14
Other Comprehensive income/loss for the year				-	
Transfer from/to other Comprehensive income/retained earnings					
Balance as at 31st March, 2020	-268.31	696.28	-	427.97	18,390.87

Particulars	Reserves and Surplus		Other Comprehensive Income	Total other equity	Non-controlling interest
	Retained Earnings	Statutory reserve			
Balance as at 1st April, 2018	(237.39)	696.28	-	458.89	18043.18
Changes in equity during the year ended 31st March, 2019					
Profit for the year	221.35			221.35	
Transfer to statutory reserve					
Non-controlling interest	-218.55			-218.55	218.55
Other Comprehensive income/loss for the year				-	
Transfer from/to other Comprehensive income/retained earnings					
Balance as at 31st March, 2019	-234.59	696.28	-	461.69	18,261.73

The accompanying notes 1 to 34 are an integral part of the consolidated financial statements

As per our report of even date attac For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

For C.K. CHANDAK & CO.  
Chartered Accountants  
Firm Registration No: 326844E

Sd/-  
CA Chandra Kumar Chandak  
Proprietor  
Membership No- 054297  
Place of Signature : Kolkata  
Date : 30/07/2020  
Date :

Sd/-  
Radhika Maheswari  
Company Secretary

Sd  
Prabhat Marda  
Chief Financial Officer

Sd/-  
Jitendra Kumar Goyal  
Director

Sd/-  
Pankaj Marda  
Managing Director



**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2020**

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before exceptional items and tax		(206.59)		353.27
<i>Adjustments to reconcile profit before exceptional items and tax to net cash flow provided by operating activities</i>				
Impairment on loans	2,126.93		1,121.58	
Net (gain)/loss on fair value changes on investment	971.85		(248.69)	
Short term capital gain (mutual funds)	(1,067.16)		(209.80)	
Other interest income	(195.00)		(195.82)	
Other non-operating income	(80.00)		(5.00)	
Interest on TDS/IT refund	(21.69)		-	
Interest on Bonds	(0.74)		(433.52)	
		1,734.20		28.76
<b>Operating profit/loss before working capital changes</b>		<b>1,527.61</b>		<b>382.03</b>
<i>Adjustments to reconcile operating profit to cash flow provided by changes in working capital</i>				
Decrease/(increase) in trade and other receivables	625.00		(625.00)	
(Increase) / Decrease in other financial Assets	8.05		(8.79)	
Decrease / (Increase) in other non-financial assets	(247.57)		(412.73)	
(Decrease)/Increase in Trade Payables	-		-	
(Decrease)/ Increase in other non-financial liabilities	95.62		223.59	
		481.10		(822.93)
<b>Cash generated from operations</b>		<b>2,008.71</b>		<b>(440.90)</b>
Tax Expense		2.94		32.32
<b>Net cash generated from operating activities</b>	<b>A</b>	<b>2,005.76</b>		<b>(473.21)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Decrease/ (Increase) in loans	-3,765.94		-4,129.24	
Decrease/ (Increase) in investments	138.62		2,417.30	
Interest on Bonds	0.74		433.52	
Short term capital gain (mutual funds)	1,067.16		209.80	
Other interest income	195.00		195.82	
Other non-operating income	80.00		5.00	
Interest on TDS/ IT Refunds	21.69		-	
<b>Net cash used in investing activities</b>	<b>B</b>	<b>-2,262.74</b>		<b>-867.80</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Borrowings (other than debt instruments)	-		-1.62	
Interest Expense	-		-	
<b>Net cash (used in) financing activities</b>	<b>C</b>	<b>-</b>		<b>(1.62)</b>
<b>Net decrease/ Increase in cash and cash equivalents (A+B+C)</b>		<b>-256.98</b>		<b>(1,342.63)</b>
<b>Opening cash and cash equivalents</b>		<b>1,909.44</b>		<b>3,252.07</b>
<b>Closing cash and cash equivalents for the purpose of Cash Flow Statement</b>		<b>1,652.46</b>		<b>1,909.44</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Indian Accounting Standard (Ind AS)-7 on Statement of Cash Flows
- Cash and cash equivalents do not include any amount which is not available to the Company for its use
- Cash and cash equivalents as at the Balance Sheet date consists of:

Particulars	(Rs 'In 000)	
	As at 31st March 2020	As at 31st March 2019
<b>Balances with banks</b>		
On current accounts	650.65	415.46
Cash on hand	1,001.81	1,493.97
Closing cash and cash equivalents (Refer Note 9)	1,652.46	1,909.44
Add : Deposits with banks ( with more than 12 months maturity) and interest accrued there upon.	-	-
Closing cash and cash equivalents for the purpose of cash flow statement	<b>1,652.46</b>	<b>1,909.44</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For C.K. CHANDAK & CO.  
Chartered Accountants  
Firm Registration No: 326844E

Sd/-  
CA Chandra Kumar Chandak  
Proprietor  
Membership No- 054297  
Place of Signature : Kolkata  
Date : 30/07/2020

Sd/-  
Radhika Maheswari  
Company Secretary

Sd  
Prabhat Marda  
Chief Financial Officer

Sd/-  
Jitendra Kumar Goyal  
Director

Sd/-  
Pankaj Marda  
Managing Director

## SCINTILLA COMMERCIAL & CREDIT LIMITED

### Notes forming part of the Consolidated Financial Statements

#### Note No : 1 Corporate Informations

**Scintilla Commercial Limited ("the Company")** is a public limited company incorporated and domiciled in India. The registered office of the Company is situated at "Mercantile Building" Block -E, 2nd Floor, 9/12 Lalbazar Street, Kolkata 700001, West Bengal India. The Company's shares are listed on the BSE Ltd (The Bombay Stock Exchange). The Company is a Non-Deposit taking Systematically not important Non-Banking Financial Company and is Registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is engaged in the business of making investments in shares and Securities, extending loans and advances and other financial services activities, except insurance and pension, funding activities, n.e.c

The Company has two Subsidiaries namely "Jaimatarani Merchants Limited" and "MericoGold Trading Limited" both incorporated and domiciled in India as on 31st March, 2020. The Company along with the Subsidiaries is collectively referred to as the 'Group'. The consolidated financial statements for the year ended 31st March, 2020 were approved for issue by the Board of Directors of the Company in their meeting held on July 30, 2020 and is subject to the adoption by the shareholders in the ensuing Annual General Meeting to be held in the year 2020

#### Note No. : 2 Basis of preparation

The accompanying consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended 31 March 2019, the Group prepared its 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 (Indian GAAP or previous GAAP). These consolidated financial statements for the year ended 31 March 2020 are the first the Group has prepared in accordance with Ind AS.

**Refer to note no. 8 and note no. 31(1) - First time adoption for information on how the Group adopted Ind AS.**

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and other financial assets held for trading all of which have been measured at fair value.

The preparation of consolidated financial statements requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the end of the reporting period.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in **Note 7 - Significant accounting judgements, estimates and assumptions.**

The consolidated financial statements are presented in Indian Rupees (INR in Thousands) except when otherwise indicated.

#### Note No. : 3 Presentation of Consolidated Financial Statement

These consolidated financial statements have been prepared in accordance with Ind AS 1- Presentation of Financial Statements as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

The consolidated financial statements of the Company are presented in order of liquidity and in accordance with Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in **Note 32(3)**

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i) The normal course of business
- ii) The event of default
- iii) The event of insolvency or bankruptcy of the company and/or its counterparties

#### Note No. : 4.1 Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act to the extent applicable and applicable guidelines issued by the Securities and Exchange Board of India ("SEBI")

#### Note No. : 4.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. 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

The Group 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 of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

##### 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) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the noncontrolling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

The Company accounts for its share of pre-acquisition profits as capital profit and adjusted with net assets to arrive at Goodwill/ Bargain purchase.

### Note No. : 4.3 Business combination

(a) Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

#### (b) Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of profit or loss on disposal.

#### (c) Bargain purchase

A bargain purchase is a business combination in which the net fair value of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the NCI and the fair value of any previously held equity interest in the acquiree. Before recognising a gain on the bargain purchase, the parent reassesses whether it had correctly identified all of the assets acquired and all of the liabilities assumed and recognise any additional assets or liabilities that are identified in that review. If after applying the said requirements and performing the reassessment the bargain purchase remains the parent should recognise the resulting gain in other comprehensive income (OCI) on the acquisition date and accumulate the same in equity as Capital reserve. However if there is no clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the bargain purchase should be recognised directly in equity as capital reserve.

### Note No. : 5 Significant Accounting Policies

#### 5.1 Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

The Group has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract:

A performance obligation is a promise in a contract with a customer to transfer a good or a service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the respective companies in the group satisfies a performance obligation. Revenue includes the following:

#### I) Interest Income

Under Ind AS 109 interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL. The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in the consolidated statement of profit and loss with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortized cost (net of provision) of the financial asset.

#### II) Dividend Income

Dividend income is recognised on the date when the respective company's right in the group to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. In case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

#### III) Net Gain/(Loss) on Fair Value Changes

Any differences between the fair values of financial assets (including investments, derivatives and stock in trade) classified as fair value through the profit or loss ("FVTPL") held by the parent and the subsidiaries on the balance sheet date is recognised as an unrealised gain / loss. In cases where there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the consolidated statement of profit and loss.

Income from investments in Equity / Preference which are included within FVTOCI Category (Fair value through Other Comprehensive income) are recognised in OCI (Other comprehensive income) except the dividend on such investments which are recognised in Statement of Profit and Loss

#### 5.2 Financial Instruments

(i) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in subsequent notes

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 for the Day 1 profit or loss, as described below.

#### Day 1 profit or loss

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 recognizes the difference between the transaction price and fair value in net gain on day 1 (for first time adoption refer no.8)

#### (ii) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets, cash flows and the Group's business model for managing financial assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Group also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding. 'Principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

### iii) Financial Assets and Liabilities

#### (a) Financial assets measured at amortized cost

These financial assets comprise bank balances, loans, trade receivables and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates and represent solely payments of principal and interest (SPPI) on the principal amount outstanding and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortized cost.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortized cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

#### Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the consolidated statement of profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income for equity instruments are not subsequently transferred to consolidated statement of profit and loss. Dividends on such investments are recognised in the consolidated statement of profit and loss.

#### (c) Items at fair value through profit or loss

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortized cost or FVOCI.

Items at fair value through profit or loss comprise:

- Investments (including equity shares) and stock in trade held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Derivative transactions  
Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred.

Subsequently, they are measured at fair value and any gains or losses are recognised in the consolidated statement of profit and loss as they arise.

#### Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

d) The Group classifies its financial liabilities at amortized costs unless it has designated liabilities at fair value through the consolidated statement of profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

#### (e) Derivatives

The Group enters into derivative transactions being equity derivative transactions in the nature of Futures and Options in Equity Stock/ Index for trading purposes.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

#### (f) Impairment of financial assets

Overview of the ECL principles

The Group recognises loss allowances (provisions) for expected credit losses on its financial assets that are measured at amortised costs or at transaction cost which may approximate fair value

However at the reporting date, the Group does not have any exposure to non-fund exposures

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost
- loan commitments; and
- financial guarantee contracts

**However at the reporting date, the company and its subsidiaries does not have any loan commitments and financial guarantee contracts.**

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group's loan portfolio comprises of only class, i.e. Unsecured loans repayable on demand both to corporates and Individuals

#### Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default from the date of demand of loan under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

The company has only one class of loan portfolio i.e. unsecured loans repayable on demand

#### Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 31 days to 90 days past due from the date of demand is considered as significant increase in credit risk.

#### Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount

90 days past due from the date of demand is considered as default for classifying a financial instrument as credit impaired.

Since the company and its subsidiaries has only one class of loan i.e unsecured loans repayable on demand, 12 month expected credit loss will be just the same as lifetime expected credit loss, because the loan is repayable on demand which is shorter than 12 months as a result lifetime of a loan is that short period required to transfer cash when demanded by the respective company in the Group

#### **Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### **The mechanics of ECL**

Ind AS requires the company to calculate ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cashflows that the company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

**Probability of default (PD)** - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

**Exposure at default (EAD)** - The exposure at default is an estimate of the exposure at a future default date.

**Loss given default (LGD)** - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Since all the loans given by the companies are repayable on demand, in this specific of on-demand repayable loan there are two options

- 1) The borrower is able to pay immediately (if demanded) or
- 2) The borrower is not able to pay immediately

Hence the company examines whether the borrower has sufficient liquid assets to repay the loan immediately. If the borrower has sufficient liquid assets (cash and cash equivalents) to repay the outstanding loan including interest accrued therein, then ECL is close to zero, because probability of default is zero.

However, the probability of loss (PD) is not zero, if the company assess that the borrower has no sufficient liquid assets to repay the loan when demanded and accordingly the Company estimates the PD based on historical observed default rates adjusted for forward looking estimates, based upon macro-economic developments occurring in the economy and market it operates in and the relationship between key economic trends like GDP, benchmark rates set by the Reserve Bank of India, inflation and most importantly the competitive advantage and disadvantage the company has in comparison to its peer group(s).

Since the company's loan portfolio mainly comprises of unsecured loans (repayable on demand), Loss given default (LGD) is always close to 100%.

While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships as temporary overlays (as mentioned in above para(s) ), if any, are embedded in the methodology to reflect such macro economic trends reasonably.

#### **Trade Receivables**

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk.

An impairment analysis is performed at each balance sheet date on an individual basis for major clients.

In addition, number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Based on the respective companies past history and the model under which it works, where it obtains most of the revenues on cut off dates or on settlement date, the Group does not provide for loss allowances during the reporting period as it does not have any receivables outstanding.

#### **(i) Write-offs**

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the client or borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the consolidated statement of profit and loss.

However the parent and its subsidiaries continue to monitor such bad loans and takes every possible effort towards its recovery.

#### **(ii) Fair value measurements**

Fair value is a market-based measurement, not an entity-specific measurement. Under Ind AS, fair valuation of financial instruments is guided by Ind AS 113 "Fair Value Measurement."

For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Three widely used valuation techniques specified in the said Ind AS are the market approach, the cost approach and the income approach which have been dealt with separately in the said Ind AS.

Each of the valuation techniques stated as above proceeds on different fundamental assumptions, which have greater or lesser relevance, and at times there is no relevance of a particular methodology to a given situation. Thus, the methods to be adopted for a particular purpose must be judiciously chosen. The application of any particular method of valuation depends on the company being evaluated, the nature of industry in which it operates, the company's intrinsic strengths and the purpose for which the valuation is made.

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

**The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

**Level 1 financial instruments** - 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 financial instruments** - 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 financial instruments** - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reported period.

Further 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 consolidated statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

### 5.3 Expenses

#### (i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The Group did not incur any finance cost as it has no borrowings during the reporting period. All other expenses are recognised as incurred

#### (ii) Employee Benefits

##### a) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits if any are recognised as expense at the undiscounted amount in the Consolidated Statement of Profit and Loss for the year in which the related service is rendered.

##### b) Defined contribution plans

The Group does not have any obligation towards defined contribution plans

##### c) Defined benefit plans

The Group does not have any obligation towards defined benefit plans

#### (iii) Income Tax

##### a) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

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.

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 realise the assets and settle the liabilities simultaneously

##### b) Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

#### Goods and services tax / value added taxes paid on incurring expenses

Since the Parent and its Subsidiaries is not required to get registered under Goods and Services Tax Act, (GST ACT), GST paid on expenses incurred are charged to consolidated statement of profit and loss

### 5.4 Cash and Cash Equivalents

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments (if any) with an original maturity of three months or less and which carry insignificant risk of changes in value.

They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes) For the purpose of the statement of cash flows, cash and cash equivalents are as defined above.

### 5.5 Leases

At the inception of the contract, the Group assesses whether a contract is, or contain, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses whether:

**A)** The contract involves the use of an identified asset, this may be specified explicitly or implicitly.

**B)** The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and

**C)** The Company has right to direct the use of the asset.

With effect from April 1, 2019, new Ind AS 116 -Leases has come into effect replacing Ind AS 17

Ind AS 116 - Leases introduces a single, on- balance sheet lease accounting model for lessees.

However the Group does not have any lease contracts as a lessee, hence there is no impact in the consolidated financial statements of the Group

### 5.6 Provisions, contingent liabilities and contingent assets

**a)** A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the passage of time is recognized as finance costs.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to provision is presented in the Statement of Profit and Loss net of any reimbursement.

**b)** A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognized in the financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).

**c)** A contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable.

When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

**d)** Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 5.7 Earnings per Share

**a)** Basic earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

**b)** Diluted earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

## 5.8 Exceptional Items

The term exceptional items is neither defined in Ind AS nor in Schedule III. However, Ind AS 1 has reference to such items in paras 85,86,97 & 98. Accordingly when the items of income or expenses are material, the Company discloses its nature and amount separately. Following circumstances (as per para 98) gives circumstances that would give rise to the separate disclosure of items of income and expenses and includes:

- 1) Written down of inventories to net reliable value or of PPE to recoverable amount, as well as reversals of such write-downs
- 2) restructuring of the activities of an entity and reversals of any provisions for the costs of restructuring;
- 3) disposals of items of PPE
- 4) disposals of investments
- 5) discontinued operations
- 6) litigations settlements; and
- 7) other reversals of provisions

In case the company has more than one such item of income/expense of the above nature which is exceptional, then such items are disclosed on the face of the Consolidated Statement of Profit and Loss. Details of the all individual items are disclosed in the notes. However there were no exceptional item as reported by the Group

## 5.9 Contingencies and events occurring after the Balance Sheet date

Events occurring after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered upto the date of approval of accounts by the Board of Directors, where material.

## 5.10 Dividends on Ordinary Shares

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 5.11 Impact of Covid-19

COVID-19 outbreak was declared a pandemic by the World Health Organisation on March 11, 2020. The Indian Government on March 24, 2020, announced a 21 day complete lockdown across the country, to contain the spread of the virus. The lockdown has since been extended across the country with gradual and modest relaxations. However COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. Given the dynamic nature of the pandemic situation and complete lockdown imposed by the Government of India the Company's operation and office were closed from March 23, 2020 until the gradual relaxation of the Government imposed lockdown, however there has been no material change in the control or processes followed in the closing of the financial statements of the respective Companies in the Group. As at March 31, 2020, based on facts and circumstances existing as of that date, the Group does not anticipate any material uncertainties (except, the impairment of certain loans which are duly recorded in the consolidated financial statements ) which affect its liquidity position; and its ability to continue as a going concern. However the impact assessment of COVID-19 is a continuing process given its nature and duration. Overall economic and market conditions remain uncertain and may be different from that estimated as at the date of approval of these results. The Group will continue to monitor for any material changes to future economic conditions.

# SCINTILLA COMMERCIAL & CREDIT LIMITED

## Notes forming part of the Consolidated Financial Statements

### 6. Segement Information

#### Primary Segment

The Group's primary business segments are reflected based on the principal business carried out i.e. Investments & Financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108

### 7. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

#### 7.1 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 particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is 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.

#### 7.2 Fair Value Measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### 7.3 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 5.2 (iii)(f) Overview of ECL principles.

#### 7.4 Contingent liabilities and Provisions other than Impairment on Loan Portfolio

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 in the ordinary course of the Company'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 considered to be 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 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.



## **8. First Time Adoption**

These consolidated financial statements, for the year ended 31 March 2020, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 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 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared the consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2020, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies.

In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at 1 April 2018 being the Group's date of transition to Ind AS. Note no. 31(1) explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the consolidated balance sheet as at 1 April 2018 and the consolidated financial statements as at and for the year ended 31 March 2019.

### **Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

#### **8.1 Investment in subsidiaries**

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date.

The Group has elected to measure its investment in subsidiary at the previous GAAP carrying amount as its deemed cost on the transition date.

#### **8.2 Fair value measurement of financial assets or financial liabilities at initial recognition**

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument.

Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to the transactions entered into on or after the date of transition to Ind AS.

The Group has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

#### **8.3 Estimates**

An entity's estimates in accordance with Ind AS 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).

#### **8.4 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

## Notes forming part of the Consolidated Financial Statements

### Note No. : 9 Cash and cash equivalents

Particulars	(Rs 'In 000)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Balances with banks</b>			
On current accounts	650.65	415.46	1,531.25
Cash on hand	1,001.81	1,493.97	1,720.82
	<b>1,652.46</b>	<b>1,909.44</b>	<b>3,252.07</b>

### Note No. : 10 Receivables

#### (I) Trade receivables

Particulars	(Rs 'In 000)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Trade receivables considered good-secured	-	-	-
Trade receivables considered good-unsecured	-	625.00	-
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables credit-impaired	-	-	-
<b>Total</b>	<b>-</b>	<b>625.00</b>	<b>-</b>
Allowances for impairment loss	-	-	-
<b>Total</b>	<b>-</b>	<b>625.00</b>	<b>-</b>

Particulars	(Rs 'In 000)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Out of the above Trade receivables			
<b>Trade receivables from Related parties</b>	<b>-</b>	<b>625.00</b>	<b>-</b>

No trade or other receivable are due by directors or other officers of the NBFC or any of them either severally or jointly with any person, or debts due by firms including LLP, private companies respectively in which any director is a partner, or a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

The Company does not felt necessary to provide for Expected credit loss on trade receivables, as historic credit loss over the preceding three to five years on the total balance of non-credit impaired trade receivables is close to Nil

#### Reconciliation of impairment allowance on trade receivables

Particulars	Amount
Impairment allowance measured as per simplified approach	
<b>Impairment allowance as on April 01, 2018</b>	
Add: Addition during the year	Nil
Less: Reduction during the year	Nil
<b>Impairment allowance as on April 01, 2019</b>	Nil
Add: Addition during the year	Nil
Less: Reduction during the year	Nil
<b>Impairment allowance as on March 31, 2020</b>	Nil

The Management expects no default in receipt of trade receivables, also there is no history of default observed by the management. Hence, no ECL, has been recognised on trade receivables.

Further there are no other receivables for any financial year as presented in the Financial statements, hence no ECL has been recognised on other receivables; also reconciliation of other receivables was not considered necessary

### Note No. : 13 Other financial assets

Particulars	(Rs 'In 000)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Short term advances	-	8.79	-
Interest on NHAI Bonds	0.74	-	-
	<b>0.74</b>	<b>8.79</b>	<b>-</b>

### Note No. : 14 Current tax assets (net)

Particulars	(Rs 'In 000)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Tax deducted at source	770.90	804.13	378.51
Less : Provision for Income Tax	7.85	111.73	103.88
	<b>763.05</b>	<b>692.40</b>	<b>274.63</b>

### Note No. : 15 Deferred tax Assets/Liabilities (net)

#### As at 31st March 2020

Particulars	(Rs 'In 000)				
	Opening Balance	Recognised in Profit or loss	Reclassified from equity to profit or loss	Recognised in Other Comprehensive Income	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>					
Investment	474.14	-259.47	-	-	214.68
	<b>474.14</b>	<b>-259.47</b>	<b>-</b>	<b>-</b>	<b>214.68</b>
<b>Tax effect of items constituting deferred tax assets</b>					
Expected credit loss	782.94	45.49	-	-	828.43
	<b>782.94</b>	<b>45.49</b>	<b>-</b>	<b>-</b>	<b>828.43</b>

Net deferred tax ( Asset ) Liabilites/ (Income)					
Expense	(308.80)	-304.95	-	-	-613.75
<b>As at 31st March 2019</b>					
<b>Tax effect of items constituting deferred tax liabilities</b>					
Investment	407.32	66.82	-	-	474.14
	<u>407.32</u>	<u>66.82</u>	-	-	<u>474.14</u>
<b>Tax effect of items constituting deferred tax assets</b>					
Expected credit loss	815.73	(32.79)	-	-	782.94
Investments	-	-	-	-	-
	<u>815.73</u>	<u>(32.79)</u>	-	-	<u>782.94</u>
Net deferred tax ( Asset ) Liabilites/ (Income)					
Expense	(408.41)	99.61	-	-	(308.80)

**Note No. : 16 Other Non- financial assets**

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Balance with Government authorities	53.91	53.91	58.95
	<u>53.91</u>	<u>53.91</u>	<u>58.95</u>

Notes forming part of the Consolidated Financial Statements

Note No. : 11 Loans

(Rs 'In 000)

Particulars	As at March, 2020	As at March, 2019	As at April, 2018
	At amortised cost	At amortised cost	At amortised cost
<b>(A)</b>			
i) Bills purchased and bills discounted	-	-	-
ii) Loans repayable on demand	69,376.93	66,238.20	63,357.89
iii) Term loans	-	-	-
iv) Leasing	-	-	-
v) Factoring	-	-	-
v) Others	-	-	-
<b>Total (A) Gross</b>	<b>69,376.93</b>	<b>66,238.20</b>	<b>63,357.89</b>
Less: Impairment loss allowance	3,291.33	3,040.54	3,167.89
<b>Total (A) Net</b>	<b>66,085.60</b>	<b>63,197.66</b>	<b>60,190.00</b>
<b>(B)</b>			
i) Secured by tangible assets	-	-	-
ii) Unsecured	69,376.93	66,238.20	63,357.89
<b>Total (B) Gross</b>	<b>69,376.93</b>	<b>66,238.20</b>	<b>63,357.89</b>
Less: Impairment loss allowance	3,291.33	3,040.54	3,167.89
<b>Total (B) Net</b>	<b>66,085.60</b>	<b>63,197.66</b>	<b>60,190.00</b>
<b>(C)</b>			
i) Public sector	-	-	-
ii) Others	16,492.90	22,092.78	23,344.44
Retail	-	-	-
Corporates	52,884.03	44,145.42	40,013.45
<b>Total (C) Gross</b>	<b>69,376.93</b>	<b>66,238.20</b>	<b>63,357.89</b>
Less: Impairment loss allowance	3,291.33	3,040.54	3,167.89
<b>Total (C) Net</b>	<b>66,085.60</b>	<b>63,197.66</b>	<b>60,190.00</b>

  

Particulars	As at March, 2020	As at March, 2019	As at April, 2018
	At amortised cost	At amortised cost	At amortised cost
<b>Out of the above loans</b>			
Loans to related parties	-	1,378.20	2,266.87

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal policy and year end stage classification. The amount presented are gross of impairment allowances.  
Company's internal guidelines on ECL allowances are set out in Note no 5.2 (f) and Note no. 32(1)

(Rs 'In 000)

Particulars	As at March, 2020	As at March, 2019	As at April, 2018
<b>Stage wise break up of loans</b>			
Low credit risk (Stage 1)	69,376.93	66,238.20	63,357.89
Significant increase in credit risk (stage 2)	-	-	-
Credit impaired (Stage 3)	-	-	-
<b>Total</b>	<b>69,376.93</b>	<b>66,238.20</b>	<b>63,357.89</b>

An analysis of changes in the gross carrying amount as follows

(Rs 'In 000)

Particulars	As at March, 2020				As at March, 2019			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
<b>Gross carrying amount opening balance</b>	66,238.20	-	-	66,238.20	63,357.89	-	-	63,357.89
New assets originated or purchased	20,261.50	-	-	20,261.50	23,048.57	-	-	23,048.57
Assets derecognised or repaid (excluding write offs)	-15,246.63	-	-	-15,246.63	-18,919.33	-	-	(18,919.33)
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-1,876.15	-1,876.15	-	-	-1,248.93	-1,248.93
<b>Gross carrying amount closing balance</b>	<b>71,253.08</b>	<b>-</b>	<b>-1,876.15</b>	<b>69,376.93</b>	<b>67,487.14</b>	<b>-</b>	<b>-1,248.93</b>	<b>66,238.20</b>

Reconciliation of ECL Balance

(Rs 'In 000)

Particulars	As at March, 2020				As at March, 2019			
	General approach				General approach			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
<b>ECL allowance - opening balance</b>	3,040.54	-	-	3,040.54	3,167.89	-	-	3,167.89
New assets originated or purchased	1,013.08	-	-	1,013.08	818.62	-	-	818.62
Assets derecognised or repaid (excluding write offs)	-762.29	-	-	-762.29	-945.97	-	-	-945.97
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculation	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
<b>ECL allowance - closing balance</b>	<b>3,291.33</b>	<b>-</b>	<b>-</b>	<b>3,291.33</b>	<b>3,040.54</b>	<b>-</b>	<b>-</b>	<b>3,040.54</b>

(Rs in '000)

Particulars	Amount In Rs		
	As at March, 2020	As at March, 2019	As at 1st April, 2018
<b>Provision as per RBI Prudential Norms</b>			
Standard Asset	0.18	148.93	158.40
Sub-Standard Asset	-	-	-
Doubtful Asset	-	-	-
Loss Asset	-	-	-
<b>Total</b>	<b>0.18</b>	<b>148.93</b>	<b>158.40</b>

Notes

a) Asset classification is as per Reserve Bank of India guidelines and provisions is as per Expected Credit Loss methodology as per Ind AS which is higher than minimum required as per prudential norms

b) As the ECL provisions is higher than provision required under IRACP (Income Recognition, Assets classification & provisioning, there is no requirement to create Impairment allowance reserve.

Notes forming part of the Consolidated Financial Statements

Note No. : 12 Investments

(Rs 'In 000)

Particulars	As at March, 2020						As at March, 2019						As at April, 2018					
	At fair value			Sub-Total	Others	Total	At fair value			Sub-Total	Others	Total	At fair value			Sub-Total	Others	Total
	Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss				Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss				Amortised cost	Through Other Comprehensive Income	Designated at Fair Value through Profit or Loss			
1	2	3	4 = 2 + 3	5	6 = 1 + 5	1	2	3	4 = 2 + 3	5	6 = 1 + 5	1	2	3	4 = 2 + 3	5	6 = 1 + 5	
i) Mutual funds	-	-	-	18,164.85	-	18,164.85	-	-	18,000.32	18,000.32	-	18,000.32	-	-	21,214.07	21,214.07	-	21,214.07
ii) Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Debt securities (Quoted)	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10	-	10.10
iv) Equity instruments (quoted)	-	-	891.95	891.95	-	891.95	-	1,963.97	1,963.97	-	1,963.97	-	32,484.14	-	2,696.83	2,696.83	-	2,696.83
v) Equity instruments (unquoted)	-	14,931.00	16,278.14	31,209.14	-	31,209.14	-	14,206.00	18,278.14	32,484.14	-	32,484.14	-	12,741.00	17,965.14	30,706.14	-	30,706.14
vi) Subsidiaries (at cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vii) Associates (at cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
viii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A) Gross</b>	-	<b>14,941.10</b>	<b>17,170.10</b>	<b>50,276.04</b>	-	<b>50,276.04</b>	-	<b>14,216.10</b>	<b>38,242.43</b>	<b>52,458.53</b>	-	<b>52,458.53</b>	-	<b>12,751.10</b>	<b>41,876.04</b>	<b>54,627.14</b>	-	<b>54,627.14</b>
ii) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Investments in India	-	14,941.10	17,170.10	50,276.04	-	50,276.04	-	14,216.10	38,242.43	52,458.53	-	52,458.53	-	12,751.10	41,876.04	54,627.14	-	54,627.14
<b>Total (B) Gross</b>	-	<b>14,941.10</b>	<b>17,170.10</b>	<b>50,276.04</b>	-	<b>50,276.04</b>	-	<b>14,216.10</b>	<b>38,242.43</b>	<b>52,458.53</b>	-	<b>52,458.53</b>	-	<b>12,751.10</b>	<b>41,876.04</b>	<b>54,627.14</b>	-	<b>54,627.14</b>
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total - Net (D) = (A)-(C)</b>	-	<b>14,941.10</b>	<b>17,170.10</b>	<b>50,276.04</b>	-	<b>50,276.04</b>	-	<b>14,216.10</b>	<b>38,242.43</b>	<b>52,458.53</b>	-	<b>52,458.53</b>	-	<b>12,751.10</b>	<b>41,876.04</b>	<b>54,627.14</b>	-	<b>54,627.14</b>

As per Ind As 109, equity instruments measured at other than at cost and debt instruments measured at fair value through profit or loss do not require a separate evaluation of impairment amount. Hence, in such cases, the disclosure pertaining to impairment shall not be applicable

Investments at FVTOCI (Non-trade)

(Rs 'In 000)

Particulars	Face Value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018	Quantity
Equity (Quoted)								
NHAI Bonds	10	10.10	10	10.10	10	10.10	10.10	10.10
<b>Total</b>		<b>10.10</b>		<b>10.10</b>		<b>10.10</b>		<b>10.10</b>

(Rs 'In 000)

Equity (Unquoted) at FVTOCI (Non-trade)	Face Value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018	Quantity
ABM Finlease Pvt. Ltd.	10	2,80,150	11,206.00	2,80,150	11,206.00	2,80,150	11,206.00	11,206.00
Mayborn Investments Pvt. Ltd.	10	30,000	3,700.00	30,000	3,000.00	11,250	1,125.00	1,125.00
R.V. Infracon Pvt. Ltd.	10	-	-	-	-	15,294	-	-
Shreyans Stockinvest Pvt.Ltd.(bonus share)	10	9,000	-	9,000	-	150.00	150.00	150.00
East Flow Commodore Ltd.	10	250	25.00	-	-	-	-	-
<b>Total</b>			<b>14,931.00</b>		<b>14,206.00</b>		<b>12,741.00</b>	
Aggregate Break-up value of Unquoted shares					17,244.13		21,309.85	

Trade investments in Mutual funds at FVTPL (Quoted)

(Units & Amount in '000)

Particulars	Units	As at 31st March 2020	Units	As at 31st March 2019	Units	As at 1st April 2018
		NAV		NAV		NAV
DSP Liquid ETF	-	-	-	-	-	4,046.68
Franklin India short term plan	2.29	9,289.94	1.69	7,111.45	5,901.10	-
Kotak Income opportunities	-	-	159.40	3,391.39	11,266.28	-
HDFC Ultra short term fund	557.02	6,271.26	278.79	2,920.06	-	-
Kotak credit risk fund	-	-	212.53	4,577.41	-	-
ICICI credit risk fund	30.28	700.92	-	-	-	-
Franklin India low duration fund	90.16	1,902.73	-	-	-	-
		<b>18,164.85</b>		<b>18,000.32</b>		<b>21,214.07</b>

Trade investments held as stock in trade and measured at FVTPL (Fair value through profit & loss)

Trade investments at FVTPL (Stock-in-trade) Quoted

(Rs 'In 000)

Particulars	Face Value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018
Equity Quoted							
Hindustan National Glass & Industries Limited	10	19,058	526.95	19,058	1,598.97	19,058	2,046.83
OneSource Tech Media Limited	10	50,000	365.00	50,000	365.00	50,000	650.00
			<b>891.95</b>		<b>1,963.97</b>		<b>2,696.83</b>

Trade investments at FVTPL (Stock-in-trade) Unquoted

(Rs 'In 000)

Particulars	Face Value	Quantity	As at 31st March 2020	Quantity	As at 31st March 2019	Quantity	As at 1st April 2018
Equity Unquoted							
Prakash Estates Ltd	10	6,000	120.00	6,000	120.00	6,000	120.00
Shreyans Stockinvest Pvt.Ltd	10	-	-	2,000	2,000.00	-	-
Rubicon Agencies Pvt.Ltd (Equity oriented pn)	100	40,000	400.00	40,000	400.00	40,000	400.00
Captain Yanyiya Pvt.Ltd	10	300.00	300.00	300.00	300.00	300.00	300.00
Equate Supplier Pvt.Ltd	10	75,000	750.00	75,000	750.00	75,000	750.00
Harmony Vincom Pvt.Ltd	10	750.00	750.00	750.00	750.00	750.00	750.00
Kuber Teem (P) Ltd.	10	14,05,000	2810.00	14,05,000	2810.00	14,05,000	2810.00
Lilygold Mercantile Pvt.Ltd	10	45,000	450.00	45,000	450.00	45,000	450.00
Mahaprabhu Tradecom Pvt.Ltd	10	27,500	275.00	27,500	275.00	27,500	275.00
Master Tradecom Pvt.Ltd	10	30,000	300.00	30,000	300.00	30,000	300.00
Nature Dealcom (P) Ltd.	10	1,05,000	210.00	1,05,000	210.00	1,05,000	210.00
Novel Finvest Pvt.Ltd	10	4,39,332	878.66	4,39,332	878.66	4,39,332	878.66
Progressive Commodore Pvt.Ltd	10	89,000	178.00	89,000	178.00	89,000	178.00
Rupika Dealcom (P) Ltd.	10	30,38,975	6077.95	30,38,975	6077.95	30,38,975	6077.95
Shivdham Dealcom Pvt.Ltd	10	55,000	550.00	55,000	550.00	55,000	550.00
Srijan Commodore Pvt.Ltd	10	-	-	-	-	1,000	380.00
Surakhshi Delamark Pvt.Ltd	10	-	-	-	-	1,600	1107.00
Taraknath Advisory Pvt.Ltd	10	-	-	-	-	1,000	200.00
Walstreet Capital Market (P) Ltd	10	5,96,765	1193.53	5,96,765	1193.53	5,96,765	1193.53
Wellisher Distributors Pvt.Ltd	10	50,000	500.00	50,000	500.00	50,000	500.00
Basundhara Wholesellers Pvt.Ltd	10	25,000	50.00	25,000	50.00	25,000	50.00
Bhagwati Wholesellers Pvt.Ltd	10	25,000	50.00	25,000	50.00	25,000	50.00
Mahaprabhu Marketing Private Limited	10	27,500	275.00	27,500	275.00	27,500	275.00
Mateshwari Investment Advisory Pvt.Ltd	10	80,000	160.00	80,000	160.00	80,000	160.00
<b>Total</b>			<b>16,278.14</b>		<b>18,278.14</b>		<b>17,965.14</b>

## Notes forming part of the Consolidated Financial Statements

### Note No. : 17 Trade Payables

(Rs 'In 000)

Particulars	As at 31st March	As at 31st March	As at 1st
	2020	2019	April 2018
(i) total outstanding dues of micro enterprises & small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises & small enterprises	-	-	-
	-	-	-

### Note No. : 18 Borrowings ( other than debts)

(Rs 'In 000)

Particulars	As at 31st March	As at 31st March	As at 1st
	2020	2019	April 2018
Short term borrowings (unsecured)	-	-	1.62
	-	-	1.62

### Note No. : 19 Other non- financial liabilities

(Rs 'In 000)

Particulars	As at 31st March	As at 31st March	As at 1st
	2020	2019	April 2018
Liabilities for Expenses	578.28	493.69	259.71
TDS Payable	0.40	-	-
Advance received	10.63	-	10.38
	<b>589.31</b>	<b>493.69</b>	<b>270.10</b>

### Note No. : 20 Equity Share capital

(Rs 'In 000)

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
<b>(a) Authorised</b>						
Equity shares of par value 10 /- each	1,00,50,000	1,00,500.00	1,00,50,000	1,00,500.00	1,00,50,000	1,00,500.00
<b>(b) Issued, subscribed and fully paid up</b>						
Equity shares of par value 10 /- each	1,00,27,777	<u>1,00,277.77</u>	1,00,27,777	<u>1,00,277.77</u>	1,00,27,777	<u>1,00,277.77</u>
		<b>1,00,277.77</b>		<b>1,00,277.77</b>		<b>1,00,277.77</b>

#### (c) Reconciliation of number and amount of equity shares outstanding

(Rs 'In 000)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of Shares	RS	No of Shares	RS
At the beginning of the year	1,00,27,777	1,00,277.77	1,00,27,777	1,00,277.77
At the end of the year	1,00,27,777	1,00,277.77	1,00,27,777	1,00,277.77

(d) The Company has only one class of equity shares. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share

(e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (f) Shareholders holding more than 5 % of the equity shares in the Company

(Rs 'In 000)

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	% of shares	No. of shares	% of shares	No. of shares	% of shares	No. of shares
Centuple Finance Pvt. Ltd.	18.81	1886489	18.81	1886489	18.81	1886489

(g) There are no shares reserved for issue under options and contracts / commitments for the sale of shares/ disinvestments

(h) For the period of 5 years immediately preceding the date as at which the Balance Sheet is prepared

Name of the Shareholder	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
	No of Shares	No of Shares	No of Shares
(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL
(b) Aggregate number and class of shares allotted as fully paid by way of bonus shares	NIL	NIL	NIL
© Aggregate number and class of shares bought back	NIL	NIL	NIL

(I) There were no securities issued having a term for conversion into equity / preference shares.

(J) There are no calls unpaid in respect of Equity Shares issued by the Company

(K) There are no forfeited shares by the Company

**Note No. : 21 Other equity**

(Rs 'In 000)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Statutory Reserve pursuant to Section 45-IC of the RBI Act 1934</b>			
Balance as per last account	696.28	696.28	696.28
Add: Transfer from Profit or loss	-	-	-
	<b>696.28</b>	<b>696.28</b>	<b>696.28</b>
<b>Retained Earnings</b>			
Balance as per last account	-234.59	(237.39)	(237.39)
Add : Net Profit for the Year	95.42	221.35	-
Less: Transfer to Statutory Reserve	-	-	-
Less: Share of Non-controlling interest	129.14	218.55	-
Add : Transfer from Other Comprehensive Income	-	-	(234.59)
	<b>-268.31</b>	<b>-268.31</b>	<b>-268.31</b>
<b>Other Comprehensive Income</b>			
Balance as per last account	-	-	-
Add : Other Comprehensive Income for the Year	-	-	-
Less : Transfer to retained earnings	-	-	-
	<b>427.97</b>	<b>461.69</b>	<b>458.89</b>

**Nature and purpose of Reserves**

**1) Statutory Reserve**

Statutory reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934); defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared.

Since the parent company which is an NBFC had reported loss in both the financial years, hence in that case, no amount would be transferred to the above Statutory Reserve.

**2) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to/from other comprehensive income, or other distributions paid to shareholders if any and less any transfers to Statutory reserve out of current year's profit pursuant to Section 45-IC of the RBI Act, 1934

**3) Other Comprehensive reserve**

There are no movements in equity instruments which are measured at FVTOCI, hence the same is Nil for all the above periods

## Notes forming part of the Consolidated Financial Statements

### Revenue from operations

Note No. : 22 Interest Income (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>(a) Interest Income</b>		
<b>On financial assets measured at amortised cost</b>		
Interest on loans	4,589.76	4,975.59
Interest on bill discounting	-	-
	<u>4,589.76</u>	<u>4,975.59</u>

Note No. : 23 Net Gain / (Loss) on Fair Value Changes (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Net gain / (loss) on financial instruments at fair value through Profit or loss</b>		
<b>(i) On trading portfolio</b>		
Investments	-2,043.86	-1,821.62
	<u>-2,043.86</u>	<u>-1,821.62</u>

Note No. : 24 Other Operating Income (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Other operating Income</b>		
Interest on NHAI Bonds	0.74	1.47

Note No. : 25 Other Income (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on TDS	21.50	-
Interest on IT refund	0.20	-
<b>Others</b>		
Reversal of ECL	-	127.35
Short term capital gain (Mutual funds)	1,067.16	209.80
Interest on bonds	-	433.52
Other Interest income	195.00	195.82
Other miscellaneous income of subsidiaries	80.00	5.00
	<u>1,342.16</u>	<u>971.49</u>
	<u>1,363.85</u>	<u>971.49</u>

Note No. : 26 Impairment of financial assets (expected credit loss) (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
ECL on loans (reversed)	250.78	127.35
Less: transferred to other income	-	-127.35
	<u>250.78</u>	<u>-</u>

Note No. : 27 Employee benefit expense (Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Managing director's remuneration	76.17	67.00
Salaries and bonus	816.65	1,304.85
Staff welfare	66.54	64.00
	<u>959.36</u>	<u>1,435.85</u>



**Note No. : 28 Other expenses**

(Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Payments to auditor</b>		
As auditor for statutory audit	25.20	25.20
Other charges	12.50	13.50
Internal audit fees	5.00	5.00
Accounting charges	46.00	46.00
Advertisement	24.93	24.34
Bank charges	0.98	1.65
Bad debts	1,876.15	1,248.93
Conveyanace	31.85	45.91
Depository Charges	94.17	56.18
Establishment charges	12.00	12.00
Filing fees	106.40	27.00
Listing fees	383.50	324.50
General Expenses	16.05	52.12
Office maintainence	27.71	29.03
Telephone expenses	3.46	2.54
Professional fees	121.34	306.40
Printing & Stationery	61.53	50.73
Postage & couriers	26.97	35.58
RTA fees	26.55	26.55
Trade license	2.15	2.15
Professional tax	2.50	2.50
	<b>2,906.93</b>	<b>2,337.81</b>

**Note No. : 29 Tax expense**

(Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax	7.85	33.03
Taxation for earlier years	(4.90)	-0.71
Deferred tax (refer note no 15)	(304.95)	99.61
	<b>-302.01</b>	<b>131.93</b>
	<b>-302.01</b>	<b>131.93</b>

**Note No. : 30 Other comprehensive income**

(Rs 'In 000)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Items that will not be reclassified to profit or loss</b>		
Fair value changes of Investments in equity shares	-	-
Gain on sale of Investments	-	-
<b>Less: Income tax relating to items that will not be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>
<b>Total other Comprehensive Income</b>	<b>-</b>	<b>-</b>

**Note No. : 31 Other disclosures**

**2. Contingent liabilities and commitments (to the extent not provided for)**

**a) Contingent liabilities :**

Outstanding Income Tax Demand (Under Section 143(3) of I.T Act 1961)	Assessment order	Date of filling	Status
A.Y 2014-15- Rs 189160/- U/s 143 (3) of Income Tax Act, 1961	13-12-2016	06-01-2017	Appeal Filled with CIT(A)

**b) Commitments :**

There are no capital commitments contracted by the Group during the period under review

**C) Other Statutory & Legal Matters**

There has been no significant and/ or material order(s) passed by any Regulators/Courts/Tribunals impacting the status. Further the Parent Company i.e. Scintilla Commercial & Credit Ltd. received a notice from BSE dated August 10, 2017 regarding issue related to suspected shell company and appointment of forensic auditor thereon. BSE requested to submit various documents from time to time in this regard along with the queries and other information from the Company. The Company replied to all the reasonable queries issued by the BSE. Further BSE appointed M/s. BDO India LLP, Chartered Accountants to carry out the forensic audit of the Company. Without prejudice to the interests of the Company, the Company has then from time to time provided all the necessary informations/ documents explanations as required by the forensic auditors and by the Exchange. Within the rights which are available to the Company, the company has sought legal advisory through its Counsels, and represented before the Exchange and the Courts from time to time. and presently the matter is sub-judice as on March 31, 2020

**Note No. : 31 Other disclosures (Continued)**

3)

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 31st March, 2018, March 2017 & April 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

4)

**Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets****(i) Nature of provision**

Provision for contingencies

Provision for contingencies represent provision towards various claims made/anticipated in respect of duties and taxes and other litigation claims against the Group based on the Management's assessment

**(ii) Movement in provision:-**

Particulars	Duties & Taxes	Other Litigation Claims	Total
<b>Balance as at 1st April, 2019</b>		NIL	
Provided during the year			
Used during the year		NIL	
Reversed during the year			
<b>Balance as at 31st March, 2020</b>		NIL	
Non-current			
Current		NIL	
<b>Balance as at 1st April, 2018</b>		NIL	
Provided during the year			
Used during the year		NIL	
Reversed during the year			
<b>Balance as at 31st March, 2019</b>		NIL	
Non-current			
Current		NIL	

**5) Segment Reporting :**

The Group's primary business segments are reflected based on the principal business carried out i.e. Investments & Financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108

**Note No. : 31 Other disclosures (Continued)****(6) Earnings per share** - The numerators and denominators used to calculate Basic / Diluted earnings per share**(Rs 'In 000)**

Particulars	2019-2020	2018-2019
<b>(a) Amount used as the numerator</b>		
Profit after Tax - (A)	95.42	221.35
<b>(b) Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings</b>		
Per Share (B)	10,027.78	10,027.78
<b>Add:</b> Weighted average number of dilutive potential equity share:	-	-
<b>(C) Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings</b>		
Per Share (C)	10027.78	10027.78
<b>(d) Nominal value of equity shares (Rs)</b>	10.00	10.00
<b>Basic earnings per share (A)/(B)</b>	<b>0.01</b>	<b>0.02</b>
<b>Diluted earnings per share (A)/(C)</b>	<b>0.01</b>	<b>0.02</b>

**Note No. : 31 Other disclosures (Continued)**

**7) Related party disclosures :**

**(a) Name of the related parties and description of relationship**

**(i) Subsidiary Company : (Control exists)**

**(ii) Associate Company : (Significant influence can be exercised)**

**(iii) Key Managerial personel ( KMP)**

(1)  
(2)  
(3)  
(4)  
(5)  
(6)

**(iv) Other related parties  
Close members of KMP**

(1)  
(2)  
(3)  
(4)  
(5)  
(6)

**(V) Significant Influence entities**

(1)  
(2)  
(3)  
(4)  
(5)  
(6)

**(b) Transactions with related party**

Nature of the transaction/ Name of the related party	Subsidiary	Associate	Significant influence	Key managerial personel (KMP)	Close members of KMP	Total
--	------------	-----------	-----------------------	-------------------------------	----------------------	-------

**© Details of Remuneration paid/payable to KMP**

**Year ended 31st March 2018**

Particulars	X	Y	Z	B	A	Total
Short-term employee benefits						
Salary						
Commission						
Perquisites						
Post-employment benefits						
Contribution to Provident Fund, Gratuity and other Funds *						

\* The said amount does not includes amount in respect of gratuity and leave as the same are not ascertainable

**Year ended 31st March 2017**

Particulars	X	Y	Z	B	A	Total
Short-term employee benefits						
Salary						
Commission						
Perquisites						
Post-employment benefits						
Contribution to Provident Fund, Gratuity and other Funds *						

## Notes forming part of the Consolidated Financial Statements

### Note No. : 30 Other disclosures (Continued)

#### 5) Related party disclosures :

As per Ind AS 24 - Related Party Disclosures, specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists/able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

#### (a) Name of the related parties and description of their relationship

##### (i) Subsidiaries/ Step down subsidiaries

- (1) Jaimatarani Merchants Limited
- (2) Mericogold Trading Limited

##### (ii) Associates/Joint Venture

Nil

##### (iii) Key Management Personnel (KMP)

- |                           |  |
|---------------------------|--|
| (1) Pankaj Marda          | Managing Director                                    |
| (2) Mahesh Kumar Kejriwal | Independent Director                                 |
| (3) Vidhu Bhushan Verma   | Independent Director                                 |
| (4) Ritu Agarwal          | Independent Director                                 |
| (5) Jitendra Kumar Goyal  | Executive Director                                   |
| (6) Manish Kumar Dokania  | Director of Subsidiary Company                       |
| (7) Pawan kumar           | Director of Subsidiary Company                       |
| (8) Suraj Bhan Roy        | Director of Subsidiary Company                       |
| (9) Prabhat Kumar Marda   | Chief Financial Officer                              |
| (10) Shashi Chandra Jha   | Company Secretary <b>(Resigned w.e.f 07.05.2019)</b> |
| (11) Aayushi Kapur        | Company Secretary <b>(Appointed on 14.08.2019)</b>   |
| (12) Aayushi Kapur        | Company Secretary <b>(Resigned w.e.f 25.11.2019)</b> |
| (13) Radhika Maheshwari   | Company Secretary <b>(Appointed on 12.02.2020)</b>   |

##### (iv) Relative of Key Management Personnel with whom transactions took place during the year

Nil

##### (v) Entities where Key Management Personnel and their relative have significant influence

- (1) ABM Finlease Private Limited
- (2) Anjaniputra Promoters Private Limited
- (3) Ashok Vatika Agro Farms Private Limited
- (4) Aurelian Commercial LLP
- (5) Aurelian Trading LLP
- (6) Centuple Commercial LLP
- (7) Centuple Trading LLP
- (8) Daulat Vintrade LLP
- (9) Daffodil Dealtrade Private Limited
- (10) Dignity Dealtrade Private Limited
- (11) Goyal Commercial Private Limited
- (12) Horizon Agro Processing Private Limited
- (13) Icon Commotrade LLP
- (14) Laxmidhan Properties Private Limited
- (15) Mayborn Investments Private Limited
- (16) Merit Commosales LLP
- (17) Planet Dealtrade LLP
- (18) Rambhakta Enterprise LLP
- (19) Shreyans Stockinvest Private Limited
- (20) Silverlake Tradelinks LLP
- (21) Skylight Vintrade LLP
- (22) SMRK Investment & Finance Private Limited (Formerly Known as Managalchand Property & Investments Private Limited)
- (23) Spectrum Pestorgan Private Limited
- (24) Success Dealers LLP
- (25) Sumit Technisch & Engineering Private Limited
- (26) Suncity Dealers LLP
- (27) Tubro Consultants & Enterprises Private Limited
- (28) Twinkle Vintrade LLP
- (29) Vibgyor Commotrade Private Limited
- (30) Yashoyog Commercial LLP
- (31) Zigma Commosales Private Limited

\* (Significant influence will be influence or significant influence as the case may be )

##### (vi) HUF & Trust where Key Management Personnel and their relative have significant influence

- (1) G Jitendra HUF
- (2) Virendra Kumar Goyal HUF
- (3) Y K Goyal & Sons HUF
- (4) Sumit Goyal Benefit Trust
- (5) Varsha Goyal Benefit Trust
- (6) Pankaj Marda HUF
- (7) S Marda & Sons HUF

\* (Significant influence will be influence or significant influence as the case may be )

**Transaction with related party**

Sl	Name of Related Party - Company or Individual	Nature of transactions and outstanding balances	FY 2019-20	FY 2018-19
<b>KEY MANAGEMENT PERSONNEL</b>				
1	DIPAK KUMAR KAJREWAL	REMUNERATION TO MANAGING DIRECTOR	43,500.00	67,000.00
2	AAYUSHI KAPUR	REMUNERATION	53,333.00	-
3	SHASHI CHANDRA JHA	REMUNERATION	1,58,333.00	86,666.00
4	PRABHAT KUMAR MARDA	REMUNERATION	1,80,000.00	93,000.00
5	RADHIKA MAHESHWARI	REMUNERATION	17,967.00	-
<b>Entities where Key Management Personnel and their relative have significant influence</b>				
1	ABM FINLEASE PRIVATE LIMITED	PURCHASE OF SHARES & SECURITIES	-	55,25,000.00
		SALE OF SHARES & SECURITIES	-	25,00,000.00
2	CENTUPLE COMMERCIAL LLP	LOANS GRANTED	88,012.00	-
		LOAN REPAID	88,001.00	28,739.00
		<b>BALANCE:</b>	<b>7,56,711.00</b>	<b>7,56,700.00</b>
		ESTABLISHMENT CHARGES & OTHER EXPENSES	8,000.00	12,000.00
3	DIGNITY DEALTRADE PRIVATE LIMITED	PURCHASE OF SHARES & SECURITIES	-	20,00,000.00
4	HORIZON AGRO PROCESSING PVT LTD	LOAN GRANTED	-	1,04,661.00
		LOAN REPAID	-	1,13,538.00
		<b>BALANCE : LOAN</b>	<b>-</b>	<b>NIL</b>
5	LAXMIDHAN PROPERTIES PVT LTD	LOANS GRANTED	76,500.00	-
		LOAN REPAID	76,500.00	68,850.00
		<b>BALANCE:</b>	<b>9,18,850.00</b>	<b>9,18,850.00</b>
6	MAYBORN INVESTMENTS PVT LTD	LOANS GRANTED	-	-
		INVESTMENTS IN SHARES & SECURITIES	6,00,000.00	30,00,000.00
		INVESTMENTS IN SHARES & SECURITIES SOLD	1,00,000.00	11,25,000.00
		SALE OF SHARES & SECURITIES	20,00,000.00	-
7	RAMBHAKTA ENTERPRISE LLP	LOANS GRANTED	2,52,959.00	-
		LOAN REPAID	2,52,959.00	9,432.00
		<b>BALANCE RECEIVABLE:</b>	<b>NIL</b>	<b>NIL</b>
8	SHREYANS STOCKINVEST PVT LTD	INVESTMENTS IN SHARES & SECURITIES	-	25,00,000.00
		INVESTMENTS IN SHARES & SECURITIES SOLD	-	26,50,000.00
9	SILVERLAE TRADELINKS LLP	SALE OF SHARES & SECURITIES	-	6,25,000.00
		PURCHASE OF SHARES & SECURITIES	6,25,000.00	-
10	SPECTRUM PESTORGAN PVT LTD	ADVANCE RECEIVED	2,155.90	2,706.00
		ADVANCE REFUNDED	2,155.90	2,706.00
		<b>BALANCE RECEIVABLE:</b>	<b>NIL</b>	<b>NIL</b>
11	TUBRO CONSULTANTS & ENTERPRISES (P) LTD	ADVANCES RECEIVED	78,374.00	47,327.00
		ADVANCES REPAID	67,749.00	65,761.00
		<b>BALANCE :</b>	<b>10,625.00</b>	<b>8,050.00</b>
		ACCOUNTING & ESTABLISHMENT CHARGES	22,000.00	2,000.00
12	VEDIK HOLDINGS PVT LTD	LOANS GRANTED	-	-
		LOAN REPAID	-	19,973.00
		<b>BALANCE RECEIVABLE:</b>	<b>NIL</b>	<b>NIL</b>

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\* The said amount does not includes amount in respect of gratuity and leave as the same are not ascertainable

d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

e) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in current year and previous year for bad or doubtful debts in respect of the amounts owed by related parties.

f) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

## **Note No. : 31 (1) Disclosure Pursuant To Ind AS 101**

### **"FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS"**

For reporting periods up to and including the year ended March 31, 2019, the Group's financial statements were prepared in accordance with Indian GAAP (Ind GAAP or previous GAAP). The Group's financial statements for the year ended March 31, 2019, are prepared in accordance with Ind AS prescribed under section 133 of the Act and as notified by Ministry of Corporate Affairs with effect from April 1, 2018. The impact of transition has been provided in the opening reserves as at April 1, 2018.

In preparing these consolidated financial statements, the Group has opted to avail the provisions with Ind AS 101, 'First time adoption of Indian Accounting Standards', applying specified Ind AS retrospectively. The most significant of these provisions are as follows:

#### **I. Classification and measurement of financial assets**

At the transition date, the Group assessed the conditions for classification of financial assets and classified its financial assets at either amortized cost, fair value through other comprehensive income or fair value through profit and loss account, as appropriate, under the provisions of Ind AS 109.

#### **II. De-recognition of financial assets and liabilities**

The Group has elected not to recognize financial assets or financial liabilities withdrawn from the balance sheet in accordance with previous GAAP as a result of transactions that occurred before the transition date.

#### **III. Investment in subsidiaries**

Ind AS 101 provides a one-time option to a first time adopter either to measure the value of investments in subsidiaries at fair value on the date of transition or at carrying value as per previous GAAP. The Company has elected to measure the value of investments in subsidiaries at carrying value as per previous GAAP.

#### **IV. Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS 101 shall be the same as if made for the same date in accordance with previous GAAP (after adjustments to reflect changes in accounting policies, if any).

#### **V. Fair value measurement of financial assets or financial liabilities at initial recognition**

Under Ind AS 109, if an entity measures a financial instrument on initial recognition using valuation techniques that only use observable market data or current market transaction prices, and the fair value at initial recognition is different from the transaction price, then it is required to recognize a gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the exemption from the initial recognition requirement of Ind AS 109 prospectively to transactions entered into after the transition date to Ind AS. The Group has opted for this exemption to recognize the 'day one' gain or loss arising due to difference in transaction cost and fair value prospectively for transactions entered into after the transition date to Ind AS.

#### **VI. Impairment of financial assets**

Under Ind AS provisions for losses are required to be computed as per the impairment requirements of Ind AS 109 'Financial Instruments' which prescribes the expected credit loss model (ECL model). The Group has elected to compute the difference between provisions as computed under previous GAAP and as computed under Ind AS 109.



in retained earnings as at the date of transition and subsequently in the consolidated March 31, 2019.

## VII. Deferred tax

Indian GAAP required deferred tax accounting using profit and loss approach, v taxable profits and accounting profits for the period. Ind AS 12 requires entities using the balance sheet approach, which focuses on temporary differences between an asset or liability in the balance sheet and its tax base.

The application of Ind AS 12 approach has resulted in recognition of deferred tax which were not required under Indian GAAP.

In addition, the various transitional adjustments have led to temporary differences recognized in correlation to the underlying transaction either in retained earnings

## RECONCILIATION OF CONSOLIDATED NET WORTH AND CONSOLIDATED NET WORTH AS PER IND AS AND CONSOLIDATED FINANCIAL STATEMENTS

### A) Reconciliation of consolidated shareholder's equity as per Indian GAAP

Particulars	Note
<b>Networth as reported under Previous GAAP</b>	
Share Capital	
Equity	
<b>Total Shareholder's equity as per Previous GAAP</b>	
<b>Adjustments under Ind AS</b>	
Gain/(loss) on fair value of investments	(a)
Impairment of financial instruments (ECL)	(b)
Deferred Tax impact on above adjustments	(c)
Total impact on networth	
<b>Total Shareholder's equity as per Ind AS Financial Statements</b>	

### B) Reconciliation of consolidated total comprehensive income as per Indian GAAP

Particulars	Note
<b>Net Profit as reported under Previous GAAP</b>	
Gain/(Loss) on fair valuation of Investments classified as FVTPL as per Ind AS	(a)
(Decrease)/Increase in Provision for Expected credit loss (ECL)	(b)
Deferred Tax impact on above adjustments	(c)
<b>Net Profit/(Loss) as per Ind AS</b>	
Other Comprehensive Income (Investments at FVTOCI)	
Deferred Tax impact on above adjustments	
<b>Total Comprehensive Income /(Loss) as per Ind AS</b>	

### C) Reconciliation of Consolidated Statement of Cash Flows

There were no material differences between the statement of cash flows presented under

GAAP.

## **NOTES TO THE RECONCILIATION**

### **(a). Fair valuation of investments**

Under the previous Indian GAAP, investments in equity instruments, preference shares and debentures were classified as long-term investments or current investments based on intended holding period. Long-term investments were carried at cost less provision for other than temporary decline in value. Current investments were carried at lower of cost and fair value. Under Ind AS, all investments are measured at fair value. The resulting fair value changes of these investments have been recognized in profit and loss at the date of transition and subsequently in the statement of profit or loss for the period. This has resulted in increase in retained earnings in April 2018 by Rs 1576.13 thousands and in March 2019 by Rs 1563.08 thousands with corresponding effect on deferred tax assets and with Rs 474.14 thousands in March' 2019

Further under previous GAAP sale and purchase of investments held as stock in trade were recognized in profit and loss as revenue and expenses, which is now designated at Fair value. The Company Group has elected to designate its investments in equity and mutual funds which are held for long term and in subsequent years

Further the Company has irrevocably elected both quoted and unquoted investments to be measured at FVTOCI. However there were no movement in this category, since most of the investments are held for long term. Hence fair value of such unquoted investments approximates fair value.

### **(b). Impairment of financial instruments**

Under Ind AS provisions for losses are required to be computed as per the impairment loss model in Ind AS 109 'Financial Instruments' which prescribes the expected credit loss model (ECL). The difference between provisions as computed under previous GAAP and as computed under Ind AS 109 is recognized in retained earnings as at the date of transition and subsequently in the statement of profit or loss for the period ended March 31, 2019.

This has resulted in reduction in retained earnings in April 2018 by Rs 3009.50 thousands and in March 2019 by Rs 2891.62 thousands with corresponding effect on deferred tax assets and with Rs -(782.94) thousands in March' 2019

Further reversal of impairment loss of Rs 127.35 thousands was recognised to profit and loss for the period ended March 31, 2019.

### **(C). Deferred tax**

Indian GAAP required deferred tax accounting using profit and loss approach, where deferred tax is computed on taxable profits and accounting profits for the period. Ind AS 12 requires entities to use the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The application of Ind AS 12 approach has resulted in recognition of deferred tax liabilities and assets which were not required under Indian GAAP.

In addition, the various transitional adjustments have led to temporary differences between the carrying amount and tax base recognized in correlation to the underlying transaction either in retained earnings or in profit and loss. Accordingly various deferred tax adjustments as mentioned in note (a) and note (b) have been made on the underlying transactions



dated statement of profit and loss for the year

which focused on differences between  
to account for deferred taxes  
between the carrying amount of

tax on new temporary differences

ices. Deferred tax adjustments are  
ings or a separate component of equity.

#### NET INCOME BETWEEN INDIAN GAAP AND IND AS

#### and Ind AS financial statements

(Rs in '000)

As at 31st March 2019	As at 1st April 2018
1,00,277.77	1,00,277.77
1,481.43	1,483.86
<b>1,01,759.20</b>	<b>1,01,761.63</b>
1,563.08	1,576.13
-2,891.62	-3,009.50
-308.80	-408.41
<b>-1,019.74</b>	<b>-1,024.96</b>
<b>1,00,739.46</b>	<b>1,00,736.66</b>

#### AS with consolidated profit reported under previous GAAP:

(Rs in '000)

As at 31st March 2019
-55.08
248.69
-127.35
99.61
<b>221.35</b>
-
-
<b>221.35</b>

der Ind AS and the previous



## Notes forming part of the Consolidated Financial Statements

### Note No. : 31 Other disclosures (Continued)

#### 8) Financial instruments - Accounting, Classification and Fair value measurements

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 and Note 5 to the consolidated financial statements.

#### A) Financial instruments by category

As at 31st March, 2020

(Rs in '000)

Particulars	Note No	Amortised Cost	FVTOCI	FVTPL	Cost	Total Carrying Value
<b>1) Financial assets</b>						
Cash and cash equivalents	9	1,652.46	-	-	-	1,652.46
Trade receivables	10	-	-	-	-	-
Loans	11	66,085.60	-	-	-	66,085.60
Investments	12	-	14,941.10	35,334.94	-	50,276.04
Other financial assets	13	0.74	-	-	-	0.74
<b>TOTAL</b>		<b>67,738.80</b>	<b>14,941.10</b>	<b>35,334.94</b>	-	<b>1,18,014.84</b>
<b>2) Financial Liabilities</b>						
Trade Payables	17	-	-	-	-	-
Borrowings	18	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-

As at 31st March, 2019

(Rs in '000)

Particulars	Note No	Amortised Cost	FVTOCI	FVTPL	Cost	Total Carrying Value
<b>1) Financial assets</b>						
Cash and cash equivalents	9	1,909.44	-	-	-	1,909.44
Trade receivables	10	625.00	-	-	-	625.00
Loans	11	63,197.66	-	-	-	63,197.66
Investments	12	-	14,216.10	38,242.43	-	52,458.53
Other financial assets	13	8.79	-	-	-	8.79
<b>TOTAL</b>		<b>65,740.88</b>	<b>14,216.10</b>	<b>38,242.43</b>	-	<b>1,18,199.40</b>
<b>2) Financial Liabilities</b>						
Trade Payables	17	-	-	-	-	-
Borrowings	18	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-

As at 1st April, 2018

(Rs in '000)

Particulars	Note No	Amortised Cost	FVTOCI	FVTPL	Cost	Total Carrying Value
<b>1) Financial assets</b>						
Cash and cash equivalents	9	3,252.07	-	-	-	3,252.07
Trade receivables	10	-	-	-	-	-
Loans	11	60,190.00	-	-	-	60,190.00
Investments	12	-	12,751.10	41,876.04	-	54,627.14
Other financial assets	13	-	-	-	-	-
<b>TOTAL</b>		<b>63,442.07</b>	<b>12,751.10</b>	<b>41,876.04</b>	-	<b>1,18,069.21</b>
<b>2) Financial Liabilities</b>						
Trade Payables	17	-	-	-	-	-
Borrowings	18	1.62	-	-	-	1.62
<b>TOTAL</b>		<b>1.62</b>	-	-	-	<b>1.62</b>

### Note No. : 31 Other disclosures (Continued)

8)

#### B. Fair value hierarchy

(1) The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

(2) The Group uses the following fair value hierarchy for determining and disclosing the fair value of financial instrument:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates

Carrying value of investments in unquoted shares approximates cost at which they are purchased

(i) Financial assets measured at fair value on a recurring basis as at 31st March, 2020:

(Rs in '000)

Particulars	Level 1	Level 2	Level 3	Total
<b>1) Financial assets</b>				
(i) Investments in Equity Instruments				
At FVTOCI	10.10	-	14,931.00	14,941.10
(ii) Investments in Equity Instruments				
At FVTPL	891.95	-	16,278.14	17,170.10
(iii) Investments in Mutual Funds				
At FVTPL	18,164.85	-	-	18,164.85
<b>Total</b>	<b>19,066.90</b>	-	<b>31,209.14</b>	<b>50,276.04</b>

(ii) Financial assets measured at fair value on a recurring basis as at 31st March, 2019:

(Rs in '000)

Particulars	Level 1	Level 2	Level 3	Total
<b>1) Financial assets</b>				
(i) Investments in Equity Instruments				
At FVTOCI	10.10	-	14,206.00	14,216.10
(ii) Investments in Equity Instruments				
At FVTPL	1,963.97	-	18,278.14	20,242.11
(iii) Investments in Mutual Funds				
At FVTPL	18,000.32	-	-	18,000.32
<b>Total</b>	<b>19,974.38</b>	<b>-</b>	<b>32,484.14</b>	<b>52,458.53</b>

(iii) Financial assets measured at fair value on a recurring basis as at 1st April, 2018:

(Rs in '000)

Particulars	Level 1	Level 2	Level 3	Total
<b>1) Financial assets</b>				
(i) Investments in Equity Instruments				
At FVTOCI	10.10	-	12,741.00	12,751.10
(ii) Investments in Equity Instruments				
At FVTPL	2,696.83	-	17,965.14	20,661.97
(iii) Investments in Mutual Funds				
At FVTPL	21,214.07	-	-	21,214.07
<b>Total</b>	<b>23,921.00</b>	<b>-</b>	<b>30,706.14</b>	<b>54,627.14</b>

There have been no transfer between Level 1 and Level 3 for the years ended 31st March 2020 and 31st March 2019

**The following methods and assumptions were used to estimate the fair values**

**Financial instruments measured at fair value**

(i) Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available than different valuation technique are used by the management for different investments.

Certain investments in equity instruments are not held for trading. Instead, they are held for long term strategic purposes, hence The Company has chosen to designate these investments in equity instruments at FVOCI since, it provides a more meaningful presentation. Further investments which are held for trading and company considers them as stock in trade are designated through FVTPL

Level 1 investments are valued at the quoted closing price on stock exchange. Investments included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value.

Cost of unquoted equity instruments have been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

As at 31st March, 2020, 31st March, 2019 and 1st April, 2018, the company did not hold any financial assets or financial liabilities which could have been categorized as Level 2

**Financial instruments not measured at fair value**

(ii) Financial assets not measured at fair value include cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short term nature.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

## Notes forming part of the Consolidated Financial Statements

### Note No. : 32 Risk Management

#### 1) Financial risk management

Risk is an integral part of the Group's business and sound risk management is critical to success. The Group's primary business are reflected based on the principal business carried out by the Parent Company i.e. loans and investments (and all other activities of the Group revolve around the main business), hence the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit risk, liquidity risk and market risk.

Since the parent company is Systematically non-important and non-deposit taking NBFC, and also in terms of Sub -Regulation (5) of Regulation 21 of SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015 as amended, the Parent Company is not required to have Risk Management Committee, but as a prudence the Board of Directors of the Parent Company oversees the overall risk management approach, risk management strategies, procedures and principles.

The senior management provides assurance that the Parent's financial risks are identified, measured and managed in accordance with the Company's internal guidelines and risk objectives

#### a) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Group.

The Parent Company's main income generating activity inter-alia is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances which are in entirety payable on demand.

The credit risk management guideline of the parent company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- > Standardise the process of identifying new risks and having in place appropriate controls for these risks
- > Maintain an appropriate credit administration and loan review system
- > Establish metrics for portfolio monitoring
- > Minimize losses due to defaults or untimely payments by borrowers and implementing appropriate risk mitigation techniques.

In order to mitigate the impact of credit risk in the future profitability, the company makes reserves basis the Expected Credit Loss (ECL) Model for the outstanding loans including interest accrued but not due and interest overdue therein at balance sheet date.

Asset classification is as per Reserve Bank of India guidelines and provisions is as per Expected Credit Loss Methodology as per Ind AS, which ever is higher than the minimum required as per prudential norms.

Further RBI Prudential guidelines are not applicable to Parent's subsidiaries as they are not an NBFCs

The below discussion describes the Group's approach for assessing impairment as stated in the significant accounting policies.

#### The mechanics of ECL

Ind AS requires the company to calculate ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cashflows that the company expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

**Probability of default (PD)** - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

**Exposure at default (EAD)** - The exposure at default is an estimate of the exposure at a future default date. The outstanding balance (including the interest accrued but not due and interest overdue) at the reporting date is considered EAD by the Company.

Since all the loans given by the company are repayable on demand, in this specific of on-demand repayable loan there are two options

- 1) The borrower is able to pay immediately (if demanded) or
- 2) The borrower is not able to pay immediately

Hence the company examines whether the borrower has sufficient liquid assets to repay the loan immediately

If the borrower has sufficient liquid assets (cash and cash equivalents) to repay the outstanding loan including interest accrued therein, then ECL is close to zero, because probability of default is zero

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL

Calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of the qualitative assessment of whether a customer is in default, the company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

However, the probability of loss (PD) is not zero, if the company assess that the borrower has no sufficient liquid assets to repay the loan when demanded and accordingly the Company estimates the PD based on historical observed default rates adjusted for forward looking estimates, based upon macro-economic developments occurring in the economy and market it operates in and the relationship between key economic trends like GDP, benchmark rates set by the Reserve Bank of India, inflation and most importantly the competitive advantage and disadvantage the company has in comparison to its peer group(s).

Based upon the above facts, the Company has assessed the following PD Percentage as at 31st March, 2020, while PD percentages for 31st March 2019 and on the date of transition remain same at 5%

#### Category

##### Loans: Unsecured and repayable on demand

Stage 1: All Standard loans in the above category upto 30 days past due (DPD) are considered as Stage 1 assets for computation of ECL

Stage 2: Exposure under Stage 2 include under-performing loans having 31 to 90 days past due (DPD) for computation of ECL

Stage 3: Exposure under Stage 2 include non-performing loans with overdue more than 90 days past due (DPD).

Based upon historical data the Company assigns PD to Stage 1 and Stage 2 and applies it to the EAD to compute the ECL.

For Stage 3 assets PD is considered as 100%

Pools	31st March, 2020		
	Stage1	Stage 2	Stage 3
Unsecured loans, repayable on demand	5%	5%	100%
Pools	31st March, 2019		
	Stage1	Stage 2	Stage 3
Unsecured loans, repayable on demand	5%	5%	100%
Pools	1st April, 2018		
	Stage1	Stage 2	Stage 3
Unsecured loans, repayable on demand	5%	5%	100%

**Loss given default (LGD)** - The loss given default is an estimate of the loss arising in the case where a default



occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Since the company's loan portfolio mainly comprises of unsecured loans (repayable on demand), Loss given default (LGD) is always close to 100%.

Pools	31-03-2020	31-03-2019	01-04-2018
Unsecured loans, repayable on demand	100%	100%	100%

The Company has applied internal guidelines to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. Probability of default is consistent as mentioned above and LGD are always near to 100% since the loans are unsecured. Further the company is assessing on the continuous basis the likelihood of increased credit risk and reasonable hair cuts in view of the Covid-19 pandemic.

The number of days past due shall exclude the moratorium period if any availed by the borrower for the purposes of asset classification as per the Company's internal guidelines.

**Further refer note no 11 which provides information about exposure to credit risk and ECL on loan**

#### **Trade receivables**

Trade receivables are non-interest bearing and do not involve significant financing cost, further all the receivables are of short term in nature, hence transaction value approximates fair value for trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk.

An impairment analysis is performed at each balance sheet date on an individual basis for major clients.

In addition, number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Based on Group's past history and the model under which it works, where it obtains most of the revenues on cut off dates

or on settlement date, the Group does not provide for loss allowances during the reporting period as there were no trade receivables during the reporting period

#### **b) Liquidity Risk**

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

**Refer note 32(3) for analysis of maturities of financial assets and financial liabilities.**

#### **c) Market Risk**

Market risk arises when movements in market factors (interest rates, credit spreads, equity prices etc.) impact the Company's income or market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximizing returns

#### **(i) Equity price**

The Company's exposure to equity price risk arises primarily on account of investments in equity instruments (both short term and long term). The Company designates its investments in equity instruments based upon its business model. Investments which are held for trading are fair valued through profit and loss, whereas investments which are held for long term and strategic purpose are fair valued through Other comprehensive income. The Company's equity price risk is managed in accordance with the objective of the Company and as approved by the senior management of the Company

#### **(ii) Interest Rate Risk**

The Company is exposed to Interest rate risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loan given to customers.

Such instrument exposes the Company to fair value interest rate risk. Management believes that the interest rate risk attached to these financial assets is not significant due to the nature of these financial assets.

#### **d) Operational And Business Risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. when controls fails to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit

### **Note No. : 32 Risk Management**

#### **2) Capital Management**

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company

The Group determines the amount of capital required on the basis of recurring business plan coupled with long term and short term Strategic investments and expansion plans.

The funding needs are met through equity, cash generated from operations, short term borrowings and through use of bank overdrafts if required

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders of the parent. The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders

The Group manages its capital structure and makes adjustments in light of changes in the financial condition and the requirement of the financial covenants if any.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

## Notes forming part of the Consolidated Financial Statements

### Note No. : 32(3) MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

(Rs in '000)

Particulars	As at 31 March, 2020		
	Total	Within 12 months	After 12 months
<b>I. Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	1,652.46	1,652.46	-
Trade receivables	-	-	-
Loans	66,085.60	66,085.60	-
Investments	50,276.04	35,334.94	14,941.10
Other financial assets	0.74	0.74	-
	<b>1,18,014.84</b>	<b>1,03,073.74</b>	<b>14,941</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	763.05	763.05	-
Deferred tax assets (net)	613.75	-	613.75
Goodwill on consolidation	240.36	-	240.36
Other non-financial assets	53.91	-	53.91
	<b>1,671.07</b>	<b>763.05</b>	<b>908.02</b>
<b>Total Assets</b>	<b>1,19,685.91</b>	<b>1,03,836.79</b>	<b>15,849.12</b>
<b>II. Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	-	-	-
Borrowings	-	-	-
Other financial liabilities	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Financial Liabilities</b>			
Other non-financial liabilities	589.31	589.31	-
	<b>589.31</b>	<b>589.31</b>	<b>-</b>
<b>Total Liabilities</b>	<b>589.31</b>	<b>589.31</b>	<b>-</b>
<b>Net Assets (including non-controlling interest)</b>	<b>1,19,096.61</b>	<b>1,03,247.49</b>	<b>15,849.12</b>
<b>Non-controlling interest</b>	<b>18,390.87</b>		<b>18,390.87</b>
<b>Net Assets to equity holders of parent</b>	<b>1,00,705.74</b>	<b>1,03,247.49</b>	<b>-2,541.75</b>

(Rs in '000)

Particulars	As at 31 March, 2019		
	Total	Within 12 months	After 12 months
<b>I. Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	1,909.44	1,909.44	-
Trade receivables	625.00	625.00	-
Loans	63,197.66	63,197.66	-
Investments	52,458.53	38,242.43	14,216.10
Other financial assets	8.79	8.79	-
	<b>1,18,199.40</b>	<b>1,03,983.30</b>	<b>14,216.10</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	692.40	692.40	-
Deferred tax assets (net)	308.80	-	308.80
Goodwill on consolidation	240.36	-	240.36
Other non-financial assets	53.91	-	53.91
	<b>1,295.47</b>	<b>692.40</b>	<b>603.07</b>
<b>Total Assets</b>	<b>1,19,494.87</b>	<b>1,04,675.71</b>	<b>14,819.17</b>

<b>II. Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	-	-	-
Borrowings	-	-	-
Other financial liabilities	-	-	-
	-	-	-
<b>Non-Financial Liabilities</b>			
Other non-financial liabilities	493.69	493.69	-
	<b>493.69</b>	<b>493.69</b>	-
<b>Total Liabilities</b>	<b>493.69</b>	<b>493.69</b>	-
<b>Net Assets (including non-controlling interest)</b>	<b>1,19,001.19</b>	<b>1,04,182.02</b>	<b>14,819.17</b>
<b>Non-controlling interest</b>	<b>18,261.73</b>		<b>18,261.73</b>
<b>Net Assets to equity holders of parent</b>	<b>1,00,739.46</b>	<b>1,04,182.02</b>	<b>-3,442.56</b>

(Rs in '000)

Particulars	As at 1 April, 2018		
	Total	Within 12 months	After 12 months
<b>I. Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	3,252.07	3,252.07	-
Trade receivables	-	-	-
Loans	60,190.00	60,190.00	-
Investments	54,627.14	41,876.04	12,751.10
Other financial assets	-	-	-
	<b>1,18,069.21</b>	<b>1,05,318.11</b>	<b>12,751.10</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	274.63	274.63	-
Deferred tax assets (net)	408.41		408.41
Goodwill on consolidation	240.36		240.36
Other non-financial assets	58.95		58.95
	<b>982.35</b>	<b>274.63</b>	<b>707.72</b>
<b>Total Assets</b>	<b>1,19,051.56</b>	<b>1,05,592.74</b>	<b>13,458.82</b>
<b>II. Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	-	-	-
Borrowings	1.62	1.62	-
Other financial liabilities	-	-	-
	<b>1.62</b>	<b>1.62</b>	-
<b>Non-Financial Liabilities</b>			
Other non-financial liabilities	270.10	270.10	-
	<b>270.10</b>	<b>270.10</b>	-
<b>Total Liabilities</b>	<b>271.72</b>	<b>271.72</b>	-
<b>Net Assets (including non-controlling interest)</b>	<b>1,18,779.84</b>	<b>1,05,321.02</b>	<b>13,458.82</b>
<b>Non-controlling interest</b>	<b>18043.18</b>		<b>18043.17871</b>
<b>Net Assets to equity holders of parent</b>	<b>1,00,736.66</b>	<b>1,05,321.02</b>	<b>(4,584.36)</b>

## Notes forming part of the Standalone Financial Statements

### Note No. : 33(1) Disclosure Pursuant to Reserve Bank of India Circular Dated 13 March, 2020

1)

Disclosure pursuant to Reserve Bank of India (RBI) Circular No.RBI/2019-20/170 DOR (NBFC).CC.PD

No.109/22.10.106/2019-20

Appendix based on above RBI Notification dated 13 March, 2020 on Implementation of Indian Accounting Standards (Ind AS)

(Rs in '000)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 Provisions and IRACP NORMS
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
<b>Performing Assets</b>						
Standard	Stage 1	69,376.93	3,291.33	66,085.60	161.44	3,129.88
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		69,376.93	3,291.33	66,085.60	161.44	3,129.88
<b>Non-Performing Assets (NPA)</b>						
Sub-Standard	Stage 3	-	-	-	-	-
Doubtful upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
more than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for loss		-	-	-	-	-
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		-	-	-	-	-
<b>Total</b>	Stage 1	69,376.93	3,291.33	66,085.60	161.44	3,129.88
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	<b>Total</b>	69,376.93	3,291.33	66,085.60	161.44	3,129.88

(Rs in '000)

Particulars	Amount In Rs		
	As at March, 2020	As at March, 2019	As at 1st April, 2018
Provision as per RBI Prudential Norms			
Standard Asset	0.18	148.93	158.40
Sub-Standard Asset	-	-	-
Doubtful Asset	-	-	-
Loss Asset	-	-	-
<b>Total</b>	<b>0.18</b>	<b>148.93</b>	<b>158.40</b>

a) Asset classification is as per Reserve Bank of India guidelines and provisions is as per Expected Credit Loss methodology as per Ind AS which is higher than minimum required as per prudential norms

b) As the ECL provisions is higher than provision required under IRACP (Income Recognition, Assets classification & provisioning, there is no requirement to create Impairment allowance reserve.

### Note No. : 33(2) Fraud

During the year there have been no such instances of fraud on the Group by the officers and employees, whether loan related misappropriations or cash embezzlements/ burglaries

### Note No. : 33(3) Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

## Notes forming part of the Consolidated Financial Statements

### Note No. : 34 (1) INTEREST IN OTHER ENTITIES

#### (A) Interest in Subsidiaries

The Groups's subsidiary at 31st March 2020, 31st March 2019 and 1st April 2018 are set out below.

Further the consolidated financial statements includes the items from its separate financial statements of its subsidiaries. Group does not have any associates or joint ventures. Scintilla Commercial and Credit Limited is the ultimate parent of the group only upto 31st March, 2020

Brief about each of the Subsidiary are given hereunder

SL NO	Name of the company	Status of the company	Principal activity	Place of incorporation & principal place of business	Proportion of ownership interest/voting rights held by the Group			Ownership interest held by non controlling interests		
					As at 31st March 2020	As at 31st March 2019	As at 1st April 2018	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
(A)	Subsidiaries (Nos)									
1	Jaimatarani Merchants Limited	Subsidiary	Investment and Financing	Kolkata, West Bengal	55.00%	55.00%	55.00%	45.00%	45.00%	45.00%
2	Mericogold Trading Limited	Subsidiary	Investment and Financing	Kolkata, West Bengal	55.00%	55.00%	55.00%	45.00%	45.00%	45.00%

#### (B) Changes in Group structure

During the previous year ended 31st March 2020, there were no changes in the Group's structure. Consolidated Financial Statement.

#### (C) Goodwill on Consolidation

Goodwill on consolidation represents the excess purchase consideration paid over value, of net assets of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently (if there are indicators for impairment). The management does not foresee any risk of impairment on the carrying value of goodwill as at 31 March, 2020.

## Notes forming part of the Consolidated Financial Statements

### NOTE NO. 34(2)

#### STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS

#### AND NON-CONTROLLING INTEREST

As at 31st March, 2020

(Rs in ' 000)

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Scintilla Commercial & Credit Ltd <b>Subsidiary</b>	65.12%	77,552.87	-200.76%	-191.56	-	-	-200.76%	-191.56
Jaimatarani Merchants Limited	9.74%	11,605.50	95.02%	90.66	-	-	95.02%	90.66
Mericogold Trading Limited	9.70%	11,547.37	70.40%	67.18	-	-	70.40%	67.18
Non-controlling interest	15.44%	18,390.87	135.34%	129.14	-	-	135.34%	129.14
<b>Total</b>	<b>100.00%</b>	<b>1,19,096.61</b>	<b>100.00%</b>	<b>95.42</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>95.42</b>

As at 31st March, 2019

(Rs in ' 000)

Name of the entity in the Group	Net Assets, i.e. total assets minus		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Scintilla Commercial & Credit Ltd <b>Subsidiary</b>	65.33%	77,744.44	-119.41%	-264.31	-	-	-119.41%	-264.31
Jaimatarani Merchants Limited	9.68%	11,514.83	69.37%	153.56	-	-	69.37%	153.56
Mericogold Trading Limited	9.65%	11,480.19	51.30%	113.56	-	-	51.30%	113.56
Non-controlling interest	15.35%	18,261.73	98.73%	218.55	-	-	98.73%	218.55
<b>Total</b>	<b>100.00%</b>	<b>1,19,001.19</b>	<b>100.00%</b>	<b>221.35</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>221.35</b>



**ATTENDANCE SLIP**

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

Name of the Member(s) (In block letters).....

Name of the Proxy, if any (In block letters) .....

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Company at "Oswal Chambers", EITMA, 5<sup>th</sup> Floor, 2 Church Lane, Kolkata – 700 001, on Wednesday, the 23rd December, 2020 at 01.00 PM.

Signature of Shareholder.....

Signature of Proxy.....

1. Only members or the Proxy holder can attend the meeting.
2. Member/Proxy Holder should bring his/ her copy of Annual Report for reference at the meeting.

\* Applicable for investors holding shares in electronic form.



**FORM NO. MGT 11**

**Proxy Form**

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

Name(s) of the Shareholder(s) (including joint-holders, if any):	
Registered address of the Shareholder(s):	
Registered Folio No. /Client ID No. /DP ID No.:	
No. of equity Shares Held	

I/ We being the member(s) of \_\_\_ equity share of the above mentioned Company hereby appoint:

Name:.....  
Address:.....

E-mail Id: ..... Signature:.....,or failing him/her

Name:.....  
Address:.....

E-mail Id: ..... Signature:.....,or failing him/her

Name.....  
Address:.....

E-mail Id: ..... Signature:.....,or failing him/her

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held at Oswal Chambers, EITMA, 5th Floor, 2, Church Lane, Kolkata – 700 001, on Wednesday, the 23<sup>rd</sup> December, 2020 at 01.00 PM. in respect of the such resolutions as are indicated below:





\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	For	Against
<b>ORDINARY BUSINESS</b>			
1.	Ordinary Resolution to be passed to receive and adopt the Audited Accounts (both Standalone and Consolidated) of the Company for the year ended 31st March, 2020 along with the report of the Auditor's and Directors' thereon.		
2.	Ordinary Resolution to appoint a Director in place of Mr. Pankaj Marda (DIN: <a href="#">00420913</a> ), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ordinary Resolution to modify the terms of appointment of M/s. C.K. Chandak & Co., Statutory Auditor of the Company.		
<b>SPECIAL BUSINESS</b>			
4.	Disposal of Investments by company in Body corporates.		
5.	Ordinary Resolution to approve the appointment of Mr. Pankaj Marda as the Managing Director of the Company.		

Signed this ....., 2020

Affix Revenue Stamp
---------------------------

Signature of Shareholder: \_\_\_\_\_

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

Note:

The Proxy Form signed across revenue stamp should reach the Registered Office of the Company at least 48 hours before the scheduled time of Meeting.

For the Resolutions, explanatory statements and notes please refer to the Notice of the 31st Annual General Meeting.

\* This is only optional. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



**MAP SHOWING LOCATION OF THE VENUE OF THE 31<sup>ST</sup> ANNUAL GENERAL MEETING**

Venue: "Oswal Chambers", EITMA, 5<sup>th</sup> Floor, 2, Church Lane, Kolkata – 700 001

