

SITA

ENTERPRISES LTD.

Report
and
Accounts
2018

SITA ENTERPRISES LIMITED

BOARD OF DIRECTORS

Mr.A.Tulsyan

Mr.K.K.Agrawal, Independent Director (Retired w.e.f 23 August, 2018)

Mr. Mukesh Sarswat, Independent Director (Appointed w.e.f 23 August, 2018)

Mr.Sandeep S. Rathi, Independent Director

Smt.S.Tulsyan

COMPANY SECRETARY

Priyanka Kakhani

CHIEF FINANCIAL OFFICER

Mr. V K Vora

BANKERS

Syndicate Bank

HDFC Bank

Barclays Bank

AUDITORS

M/s. Maheshwari Maheshwari & Co.

Chartered Accountants

REGISTERED OFFICE

415-416, Arun Chambers,

Tardeo Road,

MUMBAI - 400 034.

CIN : L45202MH1982PLC026737

PHONE : 022 - 66627383

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EMAIL - sitaenterprisesltd@yahoo.com

WEB - www.sitaenterprises.com

SITA ENTERPRISES LIMITED

NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of the members of Sita Enterprises Ltd. will be held on Friday the 28th September, 2018 at 9.00 A.M. at 415-416, Arun Chambers, Tardeo Road, Mumbai - 400 034 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the company along with consolidated financial statements for the year ended 31-3-2018 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mrs. S. Tulsyan (Director Identification Number :00659808) who retires from office by rotation and being eligible offers herself for re-appointment.

Special Business:

3. Appointment of Non Executive Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: **“RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 and other applicable provisions and rules, Ms. Sneha Ashok Tulsyan DIN: 01686490, be and is hereby appointed as a Non Executive Director of the Company whose office shall be liable to retirement by rotation.”

4. Appointment of Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: **“RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 and other applicable provisions and rules, Mr. Mukesh Sarswat DIN:05340062, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) consecutive years, whose office shall not be liable to retirement by rotation.”

5. Approval of newly substituted Articles of Association

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

“RESOLVED THAT pursuant to the provisions of Section 5 and Section 14 of the Companies Act, 2013 and other applicable provisions and rules the existing Articles of Association of the Company be and is hereby substituted in its entirety by the revised Articles of Association and the same is approved and adopted in place and stead of the existing Articles of Association of the Company.

By Order of the Board

Mumbai, 23rd August , 2018

Priyanka Kakhani
Company Secretary

NOTES:

1. The Statement pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) and other relevant details as required under the listing and other regulations are given in these notes.
2. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight (48) hours before the meeting. Proxies submitted on

behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

Members are requested to note that a person can act as proxy on behalf of not exceeding fifty (50) Members and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Register of Members and Share Transfer Register of the Company will be closed from 22nd to 28th September, 2018 (both days inclusive).
4. The Notice of AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company or Depository Participant(s) unless the Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
5. Relevant documents and registers will be available for inspection by the members at the Annual General Meeting.
6. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders holding shares in physical mode are requested to file a Nomination Form in respect of their shareholdings. Any Shareholder wishing to avail of this facility may submit to the Investors Services Division (“ISD”) in the prescribed statutory form SH-13. For any assistance, Shareholders should get in touch with the ISD.
7. Shareholder or his proxy will be required to produce at the entrance of the meeting hall, the attendance slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated attendance slips will be accepted. However, Shareholders who have received the Annual Report on e-mail can download and print the attendance slip themselves. These should be completed, signed and handed over at the entrance of the meeting hall. The validity of the attendance slip will, however, be subject to the Shareholder continuing to hold equity shares as on the date of the meeting.
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Services (“NECS”), Electronic Clearing Service (“ECS”), mandates nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant(s) (“DP”). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents, Link Intime India Private Limited (Link Intime”) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to DP with whom they have demat accounts. As per Securities and Exchange Board of India (SEBI) circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 a letter addressed to those shareholders, holding shares in physical form, who have not submitted their PAN and bank details is attached to this notice for making these compliances. To support the ‘Green Initiative’, the Members who have not registered their e-mail addresses are requested to register the same with Link Intime/DPs.
10. Members desirous of seeking any further information about the financial statements and/or operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, at least ten days in advance of AGM, so that the information, to the extent practicable, can be made available at the meeting.

11. E-Voting

- a. (i) Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is providing to the Shareholders, the remote e-voting facility at the ensuing Annual General Meeting.
Company is offering remote e-voting option to all the Shareholders. For this purpose, the Company has signed an agreement with National Securities Depository Limited (“NSDL”).
(ii) The facility of ballot paper voting shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. For abundant clarity, in the event of a poll, please note that the Shareholders who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date. The poll process shall be conducted and the consolidated scrutinizer report thereon will be prepared in accordance with the provisions of Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Listing Regulations.
- b. The members who have cast their vote electronically prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- c. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on cutoff date i.e 21st September, 2018. A person, whose name is recorded in the register of members or in the list of beneficial owners provided by depositories as on the cutoff date i.e 21st September, 2018 shall be entitled to avail the facility of remote e-voting/ ballot voting.
- d. The remote e-voting period shall commence at 9.00 a.m. on Tuesday , the 25th day of September, 2018 and will end at 5.00 p.m. on Thursday, the 27th day of September, 2018. The remote e-voting module shall be disabled by NSDL at 5.00 p.m. on 27th day of September, 2018. During the remote e-voting period, the Shareholders of the Company holding shares either in physical form or in demat form as on the cut-off date may cast their vote electronically provided once the vote on the resolution(s) is cast by the Shareholders, he will not be allowed to change it subsequently.
- e. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21st September, 2018, may obtain the login ID and password by sending an email to sitaenterprisesltd@yahoo.com or evoting@nsdl.co.in by mentioning their folio No./DP ID and Client ID. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forget User Details/Password” option available on www.evoting.nsdl.com.
- f. Process and Manner for Shareholders, opting for remote e-voting is as under:-
(A) In case of Shareholders receiving e-mail from NSDL:
- Any member whose shares are in demat form and whose e-mail address is registered with the Company/Depository Participant(s) will receive an e-mail from NSDL. Open e-mail and open PDF file viz “Sita Enterprises Ltd. remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that this password is an initial password. Note: Shareholder already registered with NSDL for e-voting will not receive the PDF file “Remote E-Voting”
 - Launch internet browser by typing the URL <https://www.evoting.nsdl.com>.
 - Click on “Shareholder-login”
 - Put user ID and password as initial password noted in step (a) above. Click “Login”
 - Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of “e-voting” opens. Click on “e-voting”: Active Voting Cycles.
 - Select Electronic Voting Event Number (EVEN) of Sita Enterprises Limited.
 - Now you are ready for “e-voting” as “Cast Vote” page opens.
 - Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - Upon confirmation, the message “Vote cast successfully” will be displayed.
Once you have voted on the resolution, you will not be allowed to modify your vote.
 - Corporate/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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer through E-mail at vkmassociates@yahoo.com with a copy marked to evoting@nsdl.co.in.
- (B) In case of Shareholders receiving Notice by Post:
- Initial password is provided at the bottom of the attendance slip:
 - Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast your vote.
- (C) The voting through remote e-voting period commences from 09:00 A.M. on 25th September , 2018 and ends at 5:00 P.M. on 27th September, 2018. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- (D) If you are already registered with NSDL for e-voting you can use your existing user ID and password for casting your vote.
In case shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID + Client ID).
In case shareholders are holding shares in physical mode, USER-ID is the Combination of (EVEN No + Folio No).
- (E) In case of any query, you may refer to the “Frequently Asked Questions (FAQs)” for shareholders and e-voting user manual for Shareholders available at the “downloads” section of NSDL website, www.evoting.nsdl.com or call toll free no. 1800 222 990.
- (F) Shareholders who forget the User details / password can use “Forget details/ Password” “Physical User Reset Password” option available on www.evoting.nsdl.com.
12. The ordinary resolutions mentioned above shall be declared as passed on the date of the declaration of result if the number of votes cast in favour is more than the votes cast against. A special resolution shall be passed if at least 3/4th of total votes cast are in favour of the resolution.
13. The Board of Directors have appointed Mr. A. Tulsyan, Whole Time Director and Ms. Priyanka Kakhani, Company Secretary as the person responsible for the entire process of voting i.e. remote e-voting and ballot voting at the AGM. Mr. Vijay Kumar Mishra, (Membership No. 5023) Partner of M/s. VKM & Associates, Practicing Company Secretaries has been appointed as the scrutinizer to scrutinize the remote e-voting and ballot voting process in a fair and transparent manner.
For any query(ies) / grievance(s) relating to remote e-voting, please contact Investor Service Division on 011-2389 0505 or e-mail at sitaenterprisesltd@yahoo.com or NSDL to Mr. Pratik Bhatt 022-2499 4738, PratikB@nsdl.co.in
14. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at

least two witnesses not in the employment of the Company, and submit the consolidated scrutinizer's report of the votes cast in favor or against, if any, to the Chairman of the Meeting within 48 hours of conclusion of the meeting. The results along with the scrutinizer's report shall be placed on the website of the Company, www.sitaenterprises.com, NSDL at www.evoting.nsdl.com and Stock Exchanges, at www.bseindia.com.

15. **Detail of Directors Seeking Appointment / Re-appointment at the AGM:**

Name of Director - Sneha Ashok Tulsyan, Director Identification Number - 01686490, Date of Birth – 22/05/1989, Expertise in specific Functional areas - Finance and Capital Market, Qualification & Experience : Chartered Accountant and MBA with Indian Institute of Management, Directorship in other Public Limited Companies – Goyal Housing And Finance Ltd., Membership of committee in other public limited companies- Nil, Designation for proposed appointment – Non Executive Director, Relationship- Daughter of Ashok Tulsyan and Sanju Tulsyan, directors of the company, Share held – 1000.

Name of Director – Mukesh Sarswat, Director Identification Number - 05340062 Date of Birth – 08/07/1986, Expertise in specific Functional areas – Commercials Law and Corporate Advisory, Qualification & Experience : Company Secretary, Directorship in other Public Limited Companies – Capacite Structures Limited, Membership of committee in other public limited companies- Nil, Designation for proposed appointment – Independent Director, Relationship- Nil, Share held – Nil.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”) RELATING TO SPECIAL BUSINESS:

Item No. 3

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, proposes for appointment of Ms. Sneha Ashok Tulsyan as a Non Executive Director on the Board of the company. Notice under section 160 of the Companies Act has been received from a Shareholder proposing her name to be appointed as a Director on the Board. No remuneration is proposed to be paid to her for such appointment. Her office shall be liable to retirement by rotation. She has given declaration of her eligibility for appointment and requisite forms as per applicable provisions. She is daughter of directors of the company - Mr. Ashok Tulsyan and Mrs. Sanju Tulsyan and they are concerned or interested in the resolution proposing her appointment as a Director on the Board of the Company.

Brief particulars of the director being appointed are given in the above notes.

The Board recommends Ms. Sneha Ashok Tulsyan appointment on the Board as a Director.

Item No. 4

The Board of Directors at its meeting held on 23rd August, 2018, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Mukesh Sarswat as an Independent Director on the Board in the casual vacancy caused due to the resignation of another Independent Director, Mr. K K Agrawal. In accordance with the provisions of the Companies Act, 2013 such appointment made to fill up the casual vacancy shall be subsequently approved by members in the immediate General Meeting. Further such appointment can be made for a period of five consecutive years from the date of appointment i.e. from 23rd August, 2018. Notice under section 160 of the Companies Act has been received from a Shareholder proposing the name of Mr. Mukesh Sarswat to be appointed as an Independent Director on the Board. He has given declaration of independence and other requisite letters and forms for his appointment as per applicable provisions. No Director, Key Managerial Personnel and their relatives other than Mr. Mukesh Sarswat are concerned or interested in the resolution proposing his appointment as an Independent Director on the Board of the Company;

Brief particulars of the director being appointed are given in the above notes.

The Board recommends Mr. Mukesh Sarswat appointment on the Board as an Independent Director for a term of 5 (five) consecutive years.

Item No. 5

The Articles of Association of the Company as currently in force is as per The Companies Act, 1956. With the introduction of the Companies Act, 2013 and substantial changes being made in other rules and regulations it is proposed to amend the existing Articles of Association to align it with the current provisions. A copy of proposed new articles is attached with this notice and is also available at the website of the company and at the registered office of the company.

The board of directors, barring the provisions about themselves in the proposed articles, are not concerned and interested in the proposed resolution.

By Order of the Board

Mumbai, 23rd August, 2018

Priyanka Kakhani
Company Secretary

ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING



SITA ENTERPRISES LIMITED

DIRECTORS' REPORT

To The Members:

Your Directors have pleasure in submitting the Thirty-Fifth Annual Report of the Company together with the audited Annual Accounts showing the financial position of the Company for the year ended on 31st March 2018 as per the provisions of The Companies Act, 2013 (the act) and SEBI - Listing Obligations and Disclosure Requirements (LODR).

Management Discussion & Analysis:

- i) Industry structure and development: The Company is an investment and finance Company and has invested funds in Shares, Securities, Venture Capital Fund, Properties, Loans and Advances.
- ii) Opportunities & Threats: The Company is keeping a close watch on the trends in industry for making investments in accordance with its size of operations. It is also taking into account the possible threats due to external factors.
- iii) Segment-wise or product-wise performance: The Company operates only in the segment of finance and investment and as such there are no reportable segments wise or product wise performance.
- iv) Outlook: Baring the unforeseen circumstances and the risks and concerns, the management is hopeful to achieve reasonable performance in the current financial year: 2018-2019.
- v) Risks and concerns: The Company has exposure in Shares, Securities, Properties, Loans & Advances and any adverse development in stock market and industry will have an impact on the Company's performance.
- vi) Internal control systems and their adequacy: The Company has adequate internal control systems commensurate for its limited operations. The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flow of organization is being done through the approved policies of the Company. The observations of internal auditors are considered by the Audit Committee of the Board.

vii) Financial & Operational performance

The Financial and Operational performance during the year was as under:-

	Rupees in Lacs
Gross Income	44.15
Gross Operating Profit	27.57
Provision for Taxation	4.50
PROFIT AFTER TAX	23.07

Dividend and Transfer to Reserves:

Your Directors do not recommend any dividend for the year ended on 31st March 2018. An amount of Rs. One Lac has been transferred from surplus balance in Statement of Profit And Loss to general reserve during the year.

Directors and Key Managerial Personnel:

Mrs. S. Tulsyan retires from the Board by rotation and being eligible offers himself for re-appointment as director.

During the year six board meetings were convened and held.

The Independent Directors of the company have given declarations under Section 149(7) of the act that they meet the criteria of independence as provided under Section 149(6) of the act.

Apart from sitting fees paid to independent director no other remuneration is paid to directors. Commensurate with very limited size of operations of the company the Board has, on recommendation of Nomination and Remuneration Committee -

- i. Framed a policy for selection and appointment of Directors and Senior Management and their remuneration. As per company's policy the independent director should possess fair professional qualification, sound ethics and attributes and should meet the criteria of independence.
- ii. Adopted a framework for performance evaluation of the Board, its Committees, individual directors and chairperson through a survey questionnaire. The survey questionnaire broadly covers various aspects of board functioning, composition of Board and its committees, culture, execution and performance of specific duties, obligation and governance.

Particulars of loans, guarantees or investment:

The Company, a non banking finance company registered with Reserve bank of India, is engaged in investment and lending activities. The provisions of section 186 of the act are not applicable to it.

Audit Committee:

The Company has constituted an audit committee with Mr. S Rathi as chairman, Mr. K K Agrawal and Mr. A. Tulsyan as members. All recommendations of audit committee have been accepted by the board.

Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(C) of the act:

- a. That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- b. That 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;
- c. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. That the directors have prepared the annual accounts on a going concern basis; and
- e. That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transaction

Details of the transactions with Related Parties are provided in the accompanying financial statements. There was no transaction during the year which would require to be reported in Form AOC.2.

Statutory Auditors

M/s. Maheshwari Maheshwari & Co. were appointed in the AGM of 2017 as statutory auditors of the company for a period of five years i.e. till the AGM to be held in 2022. As per amendments in The Companies Act, 2013 now their appointment shall not require ratification by shareholders each year.

Risk Management Policy

Commensurate with its very limited size of operations the Company is keeping a close watch on the trends in industry for lending of funds and making investments. It is also taking into account the possible threats due to external factors.

Corporate Social Responsibility

It is your company's belief that its primary goal is to fulfill responsibility towards its all constituents i.e. shareholders, customers, government, regulatory bodies, etc. The company maintains fair and ethical practices in its dealings as part of its social responsibility. Further provisions of section 135 of the act and submission of corporate governance report are not applicable to the company.

Vigil Mechanism/Whistle Blower Policy:

Your Company has adopted and disseminated its Whistle-Blower Policy to provide a secure environment and encourage employees to report unethical, unlawful or improper practices, acts or activities and to prohibit any adverse action against those who report such practices in good faith. The Whistle-Blower Policy is disclosed on the website of the Company.

Extract of Annual Return:

In accordance with Section 134(3)(a) of the act, an extract of the Annual Return in form MGT-9 is annexed.

Subsidiaries, Associates and Joint Ventures

The company does not have any subsidiary or joint venture. It has two associate companies, namely, Bombay Mercantile & Leasing Company Ltd. and Sita offers and Bourse Expertise Ltd. (SOBEX). It is proposed to convert SOBEX into a Limited Liability Partnership. Detail about these associates are given in consolidated accounts.

Adoption of a new set of Articles of Association of the Company:

The company should adopt new Articles of Association as per Companies Act, 2013. The approval of the share holders shall be obtained at the forthcoming annual general meeting of the company for the change.

Other Information:

The disclosure under Section 197 of the Companies Act, 2013 has been annexed to this report. The company has no employee of the category specified in Section 197(12) of the act.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors and Secretarial Auditors in their Reports.

The Company has not consumed any significant quantity of energy; therefore no comments are made on conservation of energy and technology absorption. There has been no foreign exchange income/outflow during the year under review. The provision of cost audit is not applicable to the Company.

There have been no material changes and commitments, if any, affecting the financial position of the company, which have occurred between the end of the financial year and date of the report.

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

The Company has the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. The Company has in place internal financial control systems, commensurate with the size and complexity of its operations, to ensure proper recording of financial and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements.

The company is following the guidelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There have been no cases reported during the year.

The Secretarial Audit Report for the financial year 2017-18 is set out in the Annexure to this Report.

The Company is giving effect to various compliances applicable to it and adopting policies commensurate with its limited size of operations.

The board places on record its appreciation for the continued support and co-operation extended by employees, customers, bankers and all other constituents.

On behalf of the Board

Mumbai, 18th May, 2018

A. Tulsyan S. Tulsyan
Director Director

Annexure to the Directors' Report

Information under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 –

Not Applicable – Please see note Below.

(ii) The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2017-18. Mr.V.K.Vora – Chief Financial Officer (increase) 20.51% and Mrs.Shweta Mehta – Company Secretary (increase) 131% (as compared with previous period remuneration for part period paid to another person

(iii) The percentage increase / decrease in the median remuneration of employees in the financial year 2017-18 (decrease) 7.7%

(iv) The number of permanent employees on the rolls of Company – Four.

(v) The explanation on the relationship between average increase / decrease in remuneration and Company performance Profit before tax decreased by 50.48%. The overall decrease in remuneration was 8%.

(vi) Comparison of the remuneration of the Key managerial Personnel against the performance of the Company.

Not Applicable – Please see note Below .

(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

Market Cap– as on 31-03-2017 Rs. 578 Lacs and on 31-03-2018 Rs. 531 Lacs. EPS – as on 31-03-2017 Rs.1.52 and as on 31-03-2018 Rs.0.77. The last public offer for equity shares of the company was offer for sale made in year 1994-95 for 7.5 Lacs equity shares of Rs. 10/- each at par. The market quotation (BSE Closing of equity shares of company as on 31-03-2018 was Rs. 17.70 representing an decrease in 8.75%.

(viii) 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.

Not Applicable – Please see note below.

(ix) The comparison of the each remuneration of Key Managerial Personnel against the performance of the Company during the Financial Year 2017-18 is as under:

The amount paid to key managerial personnel during the year was 7.74% of total gross revenue and 14.81% of profit after tax.

(x) The key parameters for any variable component of remuneration availed by the Directors.

Not Applicable – Please see note Below.

(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

Not Applicable – Please see note Below.

(xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company.

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

Not Applicable – Please see note Below.

NOTES

Apart from sitting fees of Rs. 30,000/- paid to independent directors no remuneration was paid to directors.

Payments to Key Managerial Personnel (KMP) – Rs. 95,000/- to Company Secretary and Rs. 2,46,667/- to CFO. The company had to maintain the minimum number of employees for day to day affairs and these remuneration are very much in line with the basic needs. Clause no. i, vi, viii, x, xi, xii are not applicable / relevant / material.

There are no employees in the company covered by provisions of section 197(12) of the Companies Act, 2013 read with rule 5 (2) 7 5 (3) of the companies (Appointment and remuneration of managerial personnel) Rules, 2014 for which particulars required to be furnished.

i) Category-wise Share Holding (Continued)										
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
B Public Shareholding										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
c) Central Govt.										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL: (B) (1)										
(2) Non-Institutions										
a) Bodies Corporate										
i) Indian	33417	55500	88917	2.96	34417	55500	89917	3.00	0.04	
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	221378	167300	388678	12.96	223933	167200	391133	13.04	0.08	
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakh	168660	75000	243660	8.12	150995	75000	225995	7.53	-0.59	
c) Others (specify)										
i) Director	0	1000	1000	0.03	0	1000	1000	0.03	0.03	
ii)Hundu Undivided Family	26289	0	26289	0.88	35781	0	35781	1.19	0.31	
iii) Non Resident Indians										
iv) Clearing member	1456	0	1456	0.05	6174	0	6174	0.21	0.16	
SUB TOTAL: (B) (2)										
	451200	298800	750000	25.00	451300	298700	750000	25.00		
Total Public Shareholding (B) = (B)(1)+(B)(2)										
	451200	298800	750000	25.00	451300	298700	750000	25.00		
C Shares held by Custodian for GDRs & ADRs										
GRAND TOTAL: (A+B+C)										
	2701200	298800	3000000	100	2701300	298700	3000000	100		

ii) Shareholding of Promoters										
Sr. No.	Shareholders' Name	Share holding at the beginning of the year (01/04/2017)			Share holding at the end of the year (31/03/2018)					
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	% change in share holding during the year		
1	Bombay Mercantile & Leasing Co. Ltd	1025398	34.1799	-	1025398	34.1799	-	-		
2	Ashok Tulsyan HUF	600000	20.0000	-	600000	20.0000	-	-		
3	Abhinandan Textiles & Traders Pvt. Ltd.	375000	12.5000	-	375000	12.5000	-	-		
4	Ashok Kumar Tulsyan	130500	4.3500	-	130500	4.3500	-	-		
5	Sanju Tilsyan	63900	2.1300	-	63900	2.1300	-	-		
6	Shanti Devi Tulsyan	27100	0.9033	-	27100	0.9033	-	-		
7	Sita Equity Pvt Ltd.	15602	0.5201	-	15602	0.5201	-	-		
8	Tulsyan Products Pvt. Ltd.	10500	0.3500	-	10500	0.3500	-	-		
9	Anjua Tulsyan	1000	0.0333	-	1000	0.0333	-	-		
10	Sneha Tulsyan	1000	0.0333	-	1000	0.0333	-	-		
TOTAL		2250000	75.00	-	2250000	75.00	-	-		
iii) Change in Promoter's Shareholding										
There are no changes in the promoter's shareholdings during the financial year 2017-18.										

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)								
Sr. No.	Shareholders' Name	Share holding at the beginning (01/04/2017)/ end (31/03/2018) of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	M SINGH	75000	2.50000	1 Apr 2017	0			
		75000	2.50000	31 Mar 2018			75000	2.5
2	CHARM FISCAL COMPANY PVT.LTD.	52900	1.7633	1 Apr 2017	0			
		52900	1.7633	31 Mar 2018			52900	1.7633
3	VSL SECURITIES PRIVATE LIMITED	28590	0.9530	1 Apr 2017	0			
				7 April 2017	-4000		24590	0.8197
				14 April 2017	-4000		20590	0.6863
				02 June 2017	-20590		0	0
4	MANMOHAN R. PRAHALADKA	8865	0.2955	1 Apr 2017	0			
				01 Sep 2017	+10000	T	18865	0.6288
		18865	0	31 Mar 2018			18865	0.6288
5	AMIT HUKMICHAND HEDA	0	0	1 Apr 2017	0		0	0.00
				5 May 2017	15000	T	15000	0.5
		15000	0.5	31 Mar 2018	15000		15000	0.5
6	RAJ KUMAR LOHIA	27191	0.9064	1 Apr 2017	0			
				21 April 2017	-27191	T	0	0.00
		0	0	31 Mar 2018				
7	SUMAN DEVI BAGARIA	52350	1.7450	1 Apr 2017	0			
		52350	1.7450	31 Mar 2018			52350	1.7450
8	MUKESH KUMAR BAGERIA	17390	0.5797	1 Apr 2017	0			
		17390	0.5797	31 Mar 2018			17390	0.5797
9	DEEPAK HARLALKA	23501	0.8500	1 Apr 2017	0		0	0
				14 Apr 2017	-1	T	23500	0.8500
		25500	0.8500	31 Mar 2018			25500	0.8500
10	INDRA GAGGAR	10908	0.3636	1 Apr 2017	0		0	0.00
				21 Apr. 2017	-10000	T	0	0.0303
				9 June 2017	-908	T	0	0.00
		0	0	31 Mar 2018				
11	RAJ KR LOHIA	21733	0.7244	1 Apr 2017	0			
				21 Apr 2017	-10000	T	11733	0.3911
		11733	0.3911	31 March 2018			11733	0.3911
12	PUSHPA VYAS	17655	0.5885	1 Apr 2017	0			
				21 Apr 2017	-17655	T	0	0.00
				02 Feb 2018	3651	T	3651	0.1217
13	LAXMINARAYAN MISHRILAL SARDA	3651	0.1217	31 March 2018			3651	0.1217
		0	0.00	1 Apr 2017	0			
				12 May 2017	+300	T	300	0.01
				19 May 2017	+200	T	500	0.0167
				09 June 2017	+308	T	808	0.0269
				16 June 2017	+4225	T	5033	0.1678
				23 June 2017	+351	T	5384	0.1795
				14 July 2017	+500	T	5884	0.1961
				13 Oct 2017	+4000	T	9884	0.3295
				20 Oct 2017	+1000	T	10884	0.3628
		10884	0.3628	31 March 2018			10884	0.3628

*T - Transfer

v) Shareholding of Directors and Key Managerial Personnel (KMP)								
Sr. No.	Shareholders' Name	Share holding at the beginning of the year (01/04/2017)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
A Directors								
1	ASHOK TULSYAN	130500	4.35	1 Apr 2017	-			
		130500	4.35	31 Mar 2018			130500	4.35
2	SANJU TULSYAN	63900	2.13	1 Apr 2017	-			
		63900	2.13	31 Mar 2018			63900	2.13
3	K K AGRAWAL	1000	0.03	1 Apr 2017	-			
		1000	0.03	31 Mar 2018			1000	0.03
B Key Managerial Personnel (KMP)- Nil Shareholding								

V	INDEBTEDNESS
	The Company had no indebtedness with respect to secured or unsecured Loans or Deposits during the financial year 2017-18.
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
	Whole Time Director – NIL, Independent Directors - sitting fees paid Mr. Sandeep Rathi - Rs.15,000/- and Mr. K.K Agrawal - Rs. 15000/-. Key managerial Personnel – Paid to Company Secretary - Mrs. Shweta Mehta - Rs. 95,000/- and to CFO - Mr. V K Vora - Rs. 2,46,667/-
VII	PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL

FORM MR-3
SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED ON 31 MARCH, 2018

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

TO
THE MEMBERS,
SITA ENTERPRISES LIMITED
415/416, Arun Chambers,
Tardeo Road
Mumbai - 400034.
Maharashtra - India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the company has not issued any shares during the year under review;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
 - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
6. Other Laws applicable to the Company ;
 - i. The Reserve Bank of India Act, 1934;
 - ii. Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

- II. The Listing Agreements entered into by the Company with BSE & NSE and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

For VKM & Associates
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. 5023
C P No.: 4279

Place: Mumbai
Date : 18/05/2018

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

"ANNEXURE A"

To,
The Member,
SITA ENTERPRISES LIMITED
415-416, Arun Chambers,
Tardeo Road, Mumbai -400034
Maharashtra - India

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

Management's Responsibility

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

Disclaimer

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

For VKM & Associates
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. 5023
C P No.: 4279

Place: Mumbai
Date : 18/05/2018

**INDEPENDENT AUDITOR'S REPORT
To the Members of SITA ENTERPRISES LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sita Enterprises Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility For The Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information

required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit, and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) amendments Rules-2016.
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations affecting its financial position in its financial statements.
 - ii. The Company did not enter any long-term contracts including derivative contracts during the year.
 - iii. The company was not required to transfer any amount to the Investor Education and Protection Fund during the year.

For **Maheshwari Maheshwari & Co.**
Firm Registration No.105838W
Chartered Accountants

Savita B. Maheshwari
Membership No.102278
Partner

Mumbai, 18th May 2018

Annexure A

Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date

Re: SITA ENTERPRISES LIMITED (“the Company”)

- (i) During the year the company did not own any fixed assets
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act 2013 with respect to loans and investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (vi) The Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other material dues applicable to it. The provision relating to sales tax, custom duty, provident fund, employees’ state insurance, Goods and service tax, value added tax, cess and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) There has been no borrowing or loans from financial institution, bank or debenture holders or government during the year in the company.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (Including debt instruments) and term loans.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Apart from sitting fees paid to independent director no managerial remuneration as per the provisions of section 197 of the Companies Act, 2013 has been paid / provided by the company during the year.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3 of the order are not applicable to the Company and hence not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) In our opinion and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) We report that the Company is a Non Banking Finance Company (NBFC) and as required, under section 45-IA of the Reserve Bank of India Act, 1934 it has been registered as a NBFC.

For **Maheshwari Maheshwari & Co.**
Firm Registration No.105838W
Chartered Accountants

Savita B. Maheshwari
Membership No.102278
Partner

Mumbai, 18th May 2018

Annexure - B

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

We have audited the internal financial controls over financial reporting of Sita Enterprises Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Maheshwari Maheshwari & Co.**
Firm Registration No.105838W
Chartered Accountants

Savita B. Maheshwari
Membership No.102278
Partner

Mumbai, 18th May 2018

SITA ENTERPRISES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

Rupees

P A R T I C U L A R S	Note No.	As at 31-3-2018	As at 31-03-2017
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	3,00,00,000	3,00,00,000
(b) Reserves and Surplus	2	7,11,64,920	6,88,57,739
2 Current Liabilities			
(a) Other current liabilities			
Sundry payables		26,737	14,950
Advance received		12,50,000	-
(b) Short-term provisions			
Current income tax		4,50,000	10,18,000
Contingent Provision		2,50,000	2,50,000
Total		<u>10,31,41,657</u>	<u>10,01,40,689</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets			
Tangible assets	3	-	-
(b) Non-current investments	4	7,78,79,788	7,22,39,735
2 Current assets			
(a) Cash and cash equivalents	5	2,03,272	3,57,452
(b) Short-term loans and advances	6	2,50,58,597	2,75,43,502
Total		<u>10,31,41,657</u>	<u>10,01,40,689</u>
Significant Accounting Policies	11		
Other Notes	12		

As per our report attached
For **Maheshwari Maheshwari & Co.**
Firm Registration No. 105838W
Chartered Accountants

For and on behalf of the Board

Savita B. Maheshwari
Membership No: 102278
Partner

A. Tulsyan
Director

S. Tulsyan
Director

MUMBAI, 18th May 2018

Priyanka Kakhani
Company Secretary

V K Vora
Chief Financial Officer

SITA ENTERPRISES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

Rupees

P A R T I C U L A R S	Note No.	For the year ended 31-03-2018	For the year ended 31-03-2017
I. INCOME			
Revenue from operations	7	38,52,022	39,30,090
Other Income	8	5,62,906	33,89,588
Total Income		<u>44,14,928</u>	<u>73,19,678</u>
II. Expenses			
Employee benefit expense	9	6,20,667	6,74,679
Other expenses	10	10,37,080	10,77,243
Total Expenses		<u>16,57,747</u>	<u>17,51,922</u>
III. Profit before exceptional and extraordinary items and tax		27,57,181	55,67,756
IV Exceptional and Extraordinary Items		-	-
V. Profit before tax		27,57,181	55,67,756
VI. Tax expense:			
(1) Current tax		4,50,000	10,18,000
(2) Deferred tax		-	-
(3) Income tax for earlier year		-	(4,239)
		<u>4,50,000</u>	<u>10,13,761</u>
VII. Profit for the period		<u>23,07,181</u>	<u>45,53,995</u>
VIII. Earning per equity share:			
(1) Basic		0.77	1.52
(2) Diluted		0.77	1.52
Significant Accounting Policies	11		
Other Notes	12		

As per our report attached
For **Maheshwari Maheshwari & Co.**
Firm Registration No. 105838W
Chartered Accountants

Savita B. Maheshwari
Membership No: 102278
Partner

MUMBAI, 18th May 2018

For and on behalf of the Board

A.Tulsyan
Director

S.Tulsyan
Director

Priyanka Kakhani
Company Secretary

V K Vora
Chief Financial Officer

SITA ENTERPRISES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Rupees

P A R T I C U L A R S	For the year ended 31-03-2018	For the year ended 31-03-2017
Cash Flow from Operating Activities:		
Net profit before tax and Extraordinary items	27,57,181	55,67,756
Adjustments for:		
Net (gain) / loss on sale of investments	(5,62,906)	(33,75,239)
Depreciation	-	-
(Profit)/Loss on sale of fixed assets	-	(1,322)
Operating Profit Before Working Capital Changes	21,94,275	21,91,195
Adjustments for:		
Trade and other receivables	24,84,905	(1,09,71,610)
Trade Payables and Other Liabilities	6,93,787	(9,32,812)
Cash Generated from Operations	53,72,967	(97,13,227)
Direct Taxes paid	(4,50,000)	(10,13,761)
Net Cash from Operating Activities.....A	49,22,967	(1,07,26,988)
Cash Flow from investing Activities		
Purchase of Fixed Asset	-	-
Sale of Fixed Assets	-	2,500
Purchase of investment	(1,03,80,259)	(1,78,88,160)
Sale of investment	53,03,112	2,88,13,457
Net Cash Used in investing Activities.....B	(50,77,147)	1,09,27,797
Cash Flow from Financing Activities:		
Net Cash Flow from Financing Activities...C	-	-
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	1,54,180	2,00,809
Cash and Cash equivalents Opening Balance	3,57,452	1,56,643
Cash and Cash equivalents Closing Balance	2,03,272	3,57,452

Note: Figures in brackets represent outflows.

As per our report attached

For and on behalf of the Board

For Maheshwari Maheshwari & Co.

Firm Registration No. 105838W

Chartered Accountants

A. Tulsyan
Director

S.Tulsyan
Director

Savita B. Maheshwari

Membership No: 102278

Partner

Priyanka Kakhani
Company Secretary

V K Vora
Chief Financial Officer

MUMBAI, 18th May 2018

SITA ENTERPRISES LIMITED
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

	Rs. 31-03-2018	Rs. 31-03-2017		Rs. 31-3-2018	Rs. 31-3-2017
1 SHARE CAPITAL					
Authorised :			(b) Investments in Venture Capital Fund - unquoted		
30,00,000 Equity Shares of Rs.10/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>	100 (100) Aditya Birla Real Estate		
Issued Subscribed and Fully Paid :			Fund - I - Class A units of Rs. 1,00,000 each -		
30,00,000 Equity Shares of Rs.10/- each			amount called Paid Rs.100000/-	79,92,795	83,80,866
fully paid up in cash	<u>3,00,00,000</u>	<u>3,00,00,000</u>	balance with the fund *Rs.79,927.95(Rs.83,808.66)		
Refer to Note 12			*After adjusting refund of principal capital contribution by the fund		
2 RESERVES & SURPLUS			(c) Investments in Mutual Fund - unquoted		
General Reserve			28414(56346) Aditya Birla Sunlife Eq.Fund - Div.Reg. I	25,21,386	50,00,000
As per last account	5,36,50,000	5,35,50,000	' - (352)Aditya Birla Sunlife Savings Fund - Growth Re	-	1,09,972
Add: Transfer from Profit & Loss Statement	<u>1,00,000</u>	<u>1,00,000</u>	2130(-)Aditya Birla Sunlife Pure Value Fund - Growth	1,13,680	-
	<u>5,37,50,000</u>	<u>5,36,50,000</u>	151(-) Aditya Birla Sunlife cash plus - Dly Div.Regu. P	15,089	-
Surplus in Profit & Loss Statement			(d) Other non-current investments		
As per last account	1,52,07,739	1,07,53,744	Investment Property		
Add: Profit for the period	23,07,181	45,53,995	Properties under construction or development	2,96,14,068	2,15,06,293
Less: Transfer to Genral Reserve	<u>1,00,000</u>	<u>1,00,000</u>	TOTAL INVESTMENTS	<u>7,78,79,788</u>	<u>7,22,39,735</u>
	<u>1,74,14,920</u>	<u>1,52,07,739</u>			
	<u>7,11,64,920</u>	<u>6,88,57,739</u>			
3 TANGIBLE ASSETS :			5 CASH & CASH EQUIVALENTS		
Office Equipment - at cost	-	7,20,967	Balance with banks	33,844	3,20,849
Depreciation up to date	-	7,19,789	Cash in hand	<u>1,69,428</u>	<u>36,603</u>
WDV	-	1,178		<u>2,03,272</u>	<u>3,57,452</u>
Sold during the year	-	2,500	6 SHORT TERM LOANS & ADVANCES		
Profit on Sale of Fixed assets	<u>-</u>	<u>1,322</u>	(Unsecured, considered good)		
Net Block	<u>-</u>	<u>-</u>	Loans Paid	1,57,00,866	2,63,19,136
			Purchase receivable advances	87,50,000	-
			Advance tax paid for current year	3,80,565	10,26,353
			Taxes refundable for earlier years	<u>2,27,166</u>	<u>1,98,013</u>
				<u>2,50,58,597</u>	<u>2,75,43,502</u>
4 NON CURRENT INVESTMENTS			7 REVENUE FROM OPERATIONS		
Trade investments at cost			Interest on Loans	21,40,109	28,61,516
(a) Fully Paid up Equity Shares of Face value of Rs.10/- each or otherwise specified			Income from purchase receivable	9,40,000	-
<i>Quoted Shares</i>			Income from venture capital fund	1,55,794	10,51,764
Nos	Name		Dividend Income	<u>6,16,119</u>	<u>16,810</u>
8000(8000)	Computer Disc Ind	4,96,824		<u>38,52,022</u>	<u>39,30,090</u>
1144 (1144)	East India Hotel Rs.2/-	46,900	8 OTHER INCOME		
20000(20000)	GVK Power & Infra.Ltd. Rs.1/-	4,99,483	Net Gain / Loss on sale of investments	5,62,906	33,75,239
200(200)	Indian Hotels Co. Ltd Rs.1/-	11,244	Profit on sale of fixed assets	-	1,322
1500(1000)	Oil And Natural Gas corp. Ltd.Rs.1/	4,01,470	Interest on Income Tax refund	<u>-</u>	<u>13,027</u>
2500(1600)	Tata Global Beverages Ltd.Rs.1/-	3,98,308		<u>5,62,906</u>	<u>33,89,588</u>
802 (-)	Bharat Electronics Ltd.	1,18,659			
175 (-)	BSE Ltd.	1,65,401	9 EMPLOYEES BENEFIT EXPENSE		
104 (-)	Infosys Ltd.	94,938	Salary	5,94,267	6,51,179
4 (-)	WIPRO Ltd.	1,168	Bonus	<u>26,400</u>	<u>23,500</u>
		<u>22,34,395</u>		<u>6,20,667</u>	<u>6,74,679</u>
		<u>18,54,229</u>	10 OTHER EXPENSES		
<i>Unquoted Shares</i>			Travelling & Conveyance Expenses	83,651	1,41,952
730000 (730000)	Sita Offers & Brse. Exp. Ltd.*	1,72,90,000	Rent	3,00,000	2,85,000
1205000 (1205000)	Bombay Mer & Lsg Co. Ltd *	1,80,75,000	Telephone Expenses	10,818	12,865
18700 (18700)	Vatsa Corporation Rs.1/-	<u>23,375</u>	Listing Fees	2,87,500	2,29,000
* associate		<u>3,53,88,375</u>	Miscellaneous Expenses	<u>3,55,111</u>	<u>4,08,426</u>
		<u>3,76,22,770</u>		<u>10,37,080</u>	<u>10,77,243</u>

11. Significant accounting policies.

i. The Financial Statements are prepared on Accrual Basis under Historic Cost Convention and in accordance with the generally accepted accounting principles in India and the Accounting Standards specified in The Companies Act, 2013 and rules notified thereto with proper explanations relating to material departures. The Company being a Non-Banking finance Company follows the guidelines as prescribed by the Reserve Bank of India to the extent applicable to it.

ii. All assets and liabilities have been classified as current or non-current as per the Companies operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

iii. Investments - Investments are stated at cost. Investment in properties that are not intended to be substantially used for the operations of the company are classified as Investment Property.

iv. Loans and advances which are recoverable on demand or stipulation in cash or kind or for value to be received are classified as short term.

v. Revenue Recognition - Income from dividend and sale of investments is recognised when the right to receive payment is established. Other income from Investments is accounted for as and when realised by the company and is included together with the related tax credit in the Statement of Profit and Loss. The interests on Loan amounts given are provided whenever it is receivable.

12. Other Notes.

i. Previous period's figures have been regrouped/rearranged wherever necessary so as to make them in line with the applicable provisions and Accounting Standards. Headings, sub-headings and information as per Schedule III and Accounting Standards which are not applicable to the company are not stated in Balance Sheet and Statement of Profit and Loss. Figures in brackets are for previous year unless otherwise specified.

ii. Tax deducted at source on interest income - Rs. 2,00,565/- (Rs. 4,26,353/-) and on dividend Nil.

iii. Basic and Diluted earning per share has been calculated by dividing the net profit after tax i.e. Rs.23.07 Lacs for the year by the weighted average number of equity shares outstanding during the year i.e. 30 Lacs shares.

iv. The provision for deferred tax assets/liabilities as on 31-3-18 is Nil. As a measure of prudence, deferred tax assets for MAT credit for future tax liabilities has not been taken into account. Provision for bad and doubtful debts and for depreciation in investments - Nil. Gross non-performing assets - Nil. Net non-performing assets - Nil. Assets acquired in satisfaction of debts - Nil. Amount due to Micro, Small & Medium Enterprises as per MSMED Act, 2006 as on 31-03-2018 - Nil. The Company has not accepted any deposits from the public. As per guidelines issued by Reserve Bank of India an amount of Rs. 2.5 lacs has been provided as Contingent Provision against Standard Assets and has been shown as Contingent Provision in the balance sheet. All fixed assets owned by the company were disposed off during the previous year

v. The Company is in the business of investment and finance and all its activities revolve around this business. As such, there are no separate reportable Segments. As per provisions in Accounting Standard 3 applicable to finance companies the Dividend income has been included in Operating Activities in Cash Flow Statement. The Schedule III of the Companies Act, 2013 provides for modification of disclosure requirements mentioned therein so as to make them in line with the applicable Accounting Standards. Accordingly in the Statement of Profit and Loss also Dividend Income has now been shown under the head Revenue from Operations. The previous period dividend income of Rs. 16,810/- then shown in the head Other Income has now been reclassified as Revenue from Operations.

vi. The Company has only one class of shares referred to as equity shares having a par value of Rs.10 entitling the holder to one vote per share. There was no change in the number of shares outstanding at the beginning and at the end of the reporting period. Share holders holding more than 5% shares in the company and number of shares held: Bombay Mercantile & Leasing Co Ltd-1025398, Abhinandan Textiles & Traders Pvt. Ltd.-375000 and Ashok Tulsyan (HUF) 600000.

vii. Disclosers - Related Party - Mr. S. Rathi - Non Executive Director (Independent Director) sitting fees paid Rs. 15,000/- and Mr. K.K. Agrawal - Non Executive Director (Independent Director) sitting fees paid Rs. 15,000/-. Key managerial Personnel - Remuneration Paid - Mrs. Shweta Mehta (Company Secretary) - Rs. 95,000/- Mr. V K Vora (CFO) Rs. 2,46,667/-

viii. Market value of all quoted investments-Rs.17,82,420/- (Rs.8,48,833/-). Provision for diminution in value of investments- Nil. Investments in Properties are partly paid to the extent of amount due and payable as per the terms of purchase and progress of construction and are shown as other non current investments as per requirement of Schedule III.

ix. Miscellaneous expenses grouped under the head of Other Expenses include Rs.20,950/- (Rs.14,350/-) for audit fees, Rs. 3,540/- (Rs.3,450) for internal audit, Rs.18,900/- (Rs.18,000/-) for Secretarial Auditors fees, reports, certification of returns, e-voting work..

x. Contingent liabilities and commitments (to the extent not provided for) - Uncalled liability on commitments for Investments in Properties under construction or development Rs.147 Lacs.

For and on behalf of the Board

For Maheshwari Maheshwari & Co.
Firm Registration No.105838W
Chartered Accountants

A.Tulsyan
Director

S. Tulsyan
Director

Savita B. Maheshwari
Membership No. 102278
Partner

Priyanka Kakhani
Company Secretary

V K Vora
Chief Financial
Officer

Mumbai, 18th May 2018

SITA

ENTERPRISES LTD.

**Consolidated
Financial Statements
2018**

**INDEPENDENT AUDITOR'S REPORT
TO
THE MEMBERS OF SITA ENTERPRISES LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SITA ENTERPRISES LIMITED (hereinafter referred to as "the Company") and its associate entities, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its associate entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Company and of its associate entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

The consolidated financial statements include accounts of associate companies audited by other auditors. Our opinion and report on the consolidated financial statements, in so far as it relates to the accounts and disclosures included in respect to these associates, are based solely on the audited accounts of such associates along with report of their auditors. Our opinion and report on consolidated financial

statements are not modified with respect to our reliance on the work done and the report of other auditors.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and on consideration of reports of other auditors of associate companies the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate entities as at 31st March, 2018, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act and Companies (Accounting Standards) amendments Rules-2016.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 and taken on record by the Board of Directors of the Holding Company, none of the directors of the company and its associate entities is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure "A"; and
- (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations affecting its financial position in its financial statements.
 - ii. The Company did not enter any long-term contracts including derivative contracts during the year.
 - iii. The company was not required to transfer any amount to the Investor Education and Protection Fund during the year.

For Maheshwari Maheshwari & Co.
Firm Registration No.105838W
Chartered Accountants

Savita B. Maheshwari
Membership No.102278
Partner

Mumbai, 18th May 2018

ANNEXURE – “A” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SITA ENTERPRISES LIMITED

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of SITA ENTERPRISES LIMITED (“the Company”) and its associate entities as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its associate entities has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Maheshwari Maheshwari & Co.
Firm Registration No.105838W
Chartered Accountants

Savita B. Maheshwari
Membership No.102278
Partner

Mumbai, 18th May 2018

SITA ENTERPRISES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

Rupees

PARTICULARS	Note No.	As at 31-3-2018	As at 31-3-2017
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	3,00,00,000	3,00,00,000
(b) Reserves and Surplus	2	9,06,60,674	8,80,02,148
2 Current Liabilities			
(a) Other current liabilities			
Sundry payables		26,737	14,950
Advance received		12,50,000	-
(b) Short-term provisions			
Current income tax		4,50,000	10,18,000
Contingent Provision		2,50,000	2,50,000
Total		12,26,37,411	11,92,85,098
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	3	-	-
(b) Non-current investments	4	9,73,75,542	9,13,84,144
2 Current assets			
(a) Cash and cash equivalents	5	2,03,272	3,57,452
(b) Short-term loans and advances	6	2,50,58,597	2,75,43,502
Total		12,26,37,411	11,92,85,098
Significant Accounting Policies	11		
Other Notes	12		

As per our report attached
For **Maheshwari Maheshwari & Co.**
Firm Registration No. 105838W
Chartered Accountants

Savita B. Maheshwari
Membership No: 102278
Partner

MUMBAI, 18th May 2018

For and on behalf of the Board

A.Tulsyan
Director

S.Tulsyan
Director

Priyanka Kakhani
Company Secretary

V K Vora
Chief Financial Officer

SITA ENTERPRISES LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

Rupees

P A R T I C U L A R S	Note No.	For the year ended 31-03-2018	For the year ended 31-03-2017
I Income			
Revenue from Operations	7	38,52,022	39,30,090
Other Income	8	5,62,906	33,89,588
Total Income		44,14,928	73,19,678
II Expenses			
Employee benefit expense	9	6,20,667	6,74,679
Other expenses	10	10,37,080	10,77,243
Total Expenses		16,57,747	17,51,922
III Profit before exceptional and extraordinary items and tax		27,57,181	55,67,756
IV Exceptional and Extraordinary Items		-	-
V Profit before tax		27,57,181	55,67,756
VI Share in Profit of Associates		3,51,345	3,71,378
VII Profit before tax including share in profit of associates		31,08,526	59,39,134
VIII Tax expense:			
(1) Current tax		4,50,000	10,18,000
(2) Deferred tax		-	-
(3) Income tax for earlier year		-	(4,239)
		4,50,000	10,13,761
IX Profit after tax attributable to shareholders of the company		26,58,526	49,25,373
X Earning per equity share:			
(1) Basic		0.89	1.64
(2) Diluted		0.89	1.64
Significant Accounting Policies	11		
Other Notes	12		

As per our report attached
For **Maheshwari Maheshwari & Co.**
Firm Registration No. 105838W
Chartered Accountants

For and on behalf of the Board

Savita B. Maheshwari
Membership No: 102278
Partner

A.Tulsyan
Director

S.Tulsyan
Director

MUMBAI, 18th May 2018

Priyanka Kakhani
Company Secretary

V K Vora
Chief Financial Officer

SITA ENTERPRISES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Rupees

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
Cash Flow from Operating Activities:		
Net profit before tax and Extraordinary items	31,08,526	59,39,134
Adjustments for:		
Share of Profit of Associates	(3,51,345)	(3,71,378)
Net gain / loss on sale of investments	(5,62,906)	(33,75,239)
Depreciation	-	-
(Profit)/Loss on sale of fixed assets	-	(1,322)
Operating Profit Before Working Capital Changes	21,94,275	21,91,195
Adjustments for:		
Trade and other receivables	24,84,905	(1,09,71,610)
Trade Payables and Other Liabilities	6,93,787	(9,32,812)
Cash Generated from Operations	53,72,967	(97,13,227)
Direct Taxes paid	(4,50,000)	(10,13,761)
Net Cash from Operating Activities.....A	49,22,967	(1,07,26,988)
Cash Flow from investing Activities		
Purchase of Fixed Asset	-	-
Sale of Fixed Assets	-	2,500
Purchase of investment	(1,03,80,259)	(1,78,88,160)
Sale of investment	53,03,112	2,88,13,457
Net Cash Used in investing Activities.....B	(50,77,147)	1,09,27,797
Cash Flow from Financing Activities:		
Net Cash Flow from Financing Activities...C	-	-
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	1,54,180	2,00,809
Cash and Cash equivalents Opening Balance	3,57,452	1,56,643
Cash and Cash equivalents Closing Balance	2,03,272	3,57,452

Note: Figures in brackets represent outflows.

As per our report attached

For Maheshwari Maheshwari & Co.

Firm Registration No. 105838W

Chartered Accountants

Savita B. Maheshwari

Membership No: 102278

Partner

MUMBAI, 18th May 2018

For and on behalf of the Board

A. Tulsyan

Director

S. Tulsyan

Director

Priyanka Kakhani

Company Secretary

V K Vora

Chief Financial Officer

NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2018

	Rs. 31-03-2018	Rs. 31-03-2017	Rs. 31-3-2018	Rs. 31-3-2017
1 SHARE CAPITAL				
Authorised :				
30,00,000 Equity Shares of Rs.10/- each	3,00,00,000	3,00,00,000		
Issued Subscribed and Fully Paid :				
30,00,000 Equity Shares of Rs.10/- each fully paid up in cash	3,00,00,000	3,00,00,000		
Refer to Note 10				
2 RESERVES & SURPLUS				
General Reserve				
As per last account	5,36,50,000	5,35,50,000		
Add: Transfer from Profit & Loss Statement	1,00,000	1,00,000		
	5,37,50,000	5,36,50,000		
Surplus in Profit & Loss Statement				
As per last account	1,52,07,739	1,07,53,744		
Add: Profit for the period	23,07,181	45,53,995		
Less: Transfer to Genral Reserve	1,00,000	1,00,000		
	1,74,14,920	1,52,07,739		
	7,11,64,920	6,88,57,739		
Share in Post Acquisition profit of Associates				
Accumulated balance as per last account	1,91,44,409	1,87,73,031		
Add: Share in profit for the period	3,51,345	3,71,378		
	1,94,95,754	1,91,44,409		
3 TANGIBLE ASSETS :				
Office Equipment - at cost	-	7,20,967		
Depreciation up to date	-	7,19,789		
WDV	-	1,178		
Sold during the year	-	2,500		
Profit on Sale of Fixed assets	-	1,322		
Net Block	-	-		
4 NON CURRENT INVESTMENTS				
Trade investments at cost				
(a) Fully Paid up Equity Shares of Face value of Rs.10/- each or otherwise specified				
<i>Quoted Shares</i>				
Nos	Name			
8000(8000)	Computer Disc Ind	4,96,824	4,96,824	
1144 (1144)	East India Hotel Rs.2/-	46,900	46,900	
20000(20000)	GVK Power & Infra.Ltd. Rs.1/-	4,99,483	4,99,483	
200(200)	Indian Hotels Co. Ltd Rs.1/-	11,244	11,244	
1500(1000)	Oil And Natural Gas corp. Ltd.Rs.1/-	4,01,470	4,01,470	
1600(1600)	Tata Global Beverages Ltd.Rs.1/-	3,98,308	3,98,308	
802 (-)	Bharat Electronics Ltd.	1,18,659	-	
175(-)	BSE Ltd.	1,65,401	-	
104 (-)	Infosys Ltd.	94,938	-	
4 (-)	WIPRO Ltd.	1,168	-	
		22,34,395	18,54,229	
<i>Unquoted Shares</i>				
730000 (730000)	Sita Offers & Brse. Exp. Ltd.* cost	1,72,90,000	1,72,90,000	
	Share in Post Acquisition Profit	39,85,086	38,10,979	
		2,12,75,086	2,11,00,979	
1205000 (1205000)	Bombay Mer & Lsg Co. Ltd *	1,80,75,000	1,80,75,000	
	Share in Post Acquisition Profit	1,55,10,668	1,53,33,430	
		3,35,85,668	3,34,08,430	
18700 (18700)	Vatsa Corporation F	23,375	23,375	
* associate		5,48,84,129	5,45,32,784	
(b) Investments in Venture Capital Fund - unquoted				
100 (100) Aditya Birla Real Estate Fund - I - Class A units of Rs. 1,00,000 each - amount called Paid Rs.100000/-			79,92,795	83,80,866
balance with the fund *Rs.79927.95 (Rs.83808.66)				
*After adujsting refund of principal capital contribution by the fund				
(c) Investments in Mutual Fund - unquoted				
28414(56346) Aditya Birla Sunlife Equity Fund-Div.Reg.I			25,21,386	50,00,000
- (352) Aditya Birla Sunlife Savings Fund-Growth Regu.			-	1,09,972
2130 (-) Aditya Birla Sunlife pure value Fund-Growth R			1,13,680	-
151(-) Aditya Birla Sunlife Cash plus Fund-Growth Regu			15,089	-
(d) Other non-current investments				
Investment Property				
Properties under construction or development			2,96,14,068	2,15,06,293
TOTAL INVESTMENTS			9,73,75,542	9,13,84,144
5 CASH & CASH EQUIVALENTS				
Balance with banks			33,844	3,20,849
Cash in hand			1,69,428	36,603
			2,03,272	3,57,452
6 SHORT TERM LOANS & ADVANCES				
(Unsecured, considered good)				
Loans Paid			1,57,00,866	2,63,19,136
Purchase receivable advances			87,50,000	-
Advance tax paid for current year			3,80,565	10,26,353
Taxes refundable for earlier years			2,27,166	1,98,013
			2,50,58,597	2,75,43,502
7 REVENUE FROM OPERATIONS				
Interest on Loans			21,40,109	28,61,516
Income from Purchase receivable			9,40,000	-
Income from Venture Capital Fund			1,55,794	10,51,764
Dividend Income			6,16,119	16,810
			38,52,022	39,30,090
8 OTHER INCOME				
Net Gain / Loss on Sale of Investments			5,62,906	33,75,239
Profit on Sale of Fixed Assets			-	1,322
Interest on Income Tax Refund			-	13,027
			5,62,906	33,89,588
9 EMPLOYEES BENEFIT EXPENSE				
Salary			5,94,267	6,51,179
Bonus			26,400	23,500
			6,20,667	6,74,679
10 OTHER EXPENSES				
Travelling & Conveyance Expenses			83,651	1,41,952
Rent			3,00,000	2,85,000
Telephone Expenses			10,818	12,865
Listing Fees			2,87,500	2,29,000
Miscellaneous Expenses			3,55,111	4,08,426
			10,37,080	10,77,243

Consolidated Accounts

11. Disclosures on Consolidation of accounts.

A. Basis Of Preparation Of Financial Statements:

These Consolidated financial statements have been prepared to comply with Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The company has two associates and no subsidiary and joint venture.

B. Principles Of Consolidation:

- a) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- b) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

C. Investments other than in associate have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

D. Other Significant Accounting Policies:

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

12. Other Notes.

i. Previous period's figures have been regrouped/rearranged wherever necessary so as to make them in line with the applicable provisions and Accounting Standards. Headings, sub-headings and information as per Schedule III and Accounting Standards which are not applicable to the company are not stated in Balance Sheet and Statement of Profit and Loss. Figures in brackets are for previous year unless otherwise specified.

ii. Tax deducted at source on interest income - Rs. 2,00,565/- (Rs. 4,26,353/-) and on dividend Nil.

iii. Basic and Diluted earning per share has been calculated by dividing the net profit including share of profit of associates after tax i.e. Rs.26.58 Lacs for the year by the weighted average number of equity shares outstanding during the year i.e. 30 Lacs shares.

iv. The provision for deferred tax assets/liabilities as on 31-3-18 is Nil. As a measure of prudence, deferred tax assets for MAT credit for future tax liabilities has not been taken into account. Provision for bad and doubtful debts and for depreciation in investments - Nil. Gross non-performing assets - Nil. Net non-performing assets - Nil, Assets acquired in satisfaction of debts - Nil. Amount due to Micro, Small & Medium Enterprises as per MSMED Act, 2006 as on 31-03-2018 - Nil. The Company has not accepted any deposits from the public. As per guidelines issued by Reserve Bank of India an amount of Rs. 2.5 lacs has been provided as Contingent Provision against Standard Assets and has been shown as Contingent Provision in the balance sheet. All fixed assets owned by the company were disposed off during the previous year

v. The Company is in the business of investment and finance and all its activities revolve around this business. As such, there are no separate reportable Segments. As per provisions in Accounting Standard 3 applicable to finance companies the Dividend income has been included in Operating Activities in Cash Flow Statement. The Schedule III of the Companies Act, 2013 provides for modification of disclosure requirements mentioned therein so as to make them in line with the applicable Accounting Standards. Accordingly in the Statement of Profit and Loss also Dividend Income has now been shown under the head Revenue from Operations. The previous period dividend income of Rs. 16,810/- then shown in the head Other Income has now been reclassified as Revenue from Operations.

vi. The Company has only one class of shares referred to as equity shares having a par value of Rs.10 entitling the holder to one vote per share. There was no change in the number of shares outstanding at the beginning and at the end of the reporting period. Share holders holding more than 5% shares in the company and number of shares held: Bombay Mercantile & Leasing Co Ltd-1025398, Abhinandan Textiles & Traders Pvt. Ltd.-375000 and Ashok Tulsyan (HUF) 600000.

vii. Disclosers - Related Party - Mr. S. Rathi - Non Executive Director (Independent Director) sitting fees paid Rs. 15,000/- and Mr. K.K. Agrawal - Non Executive Director (Independent Director) sitting fees paid Rs. 15,000/-. Key managerial Personnel - Remuneration Paid - Mrs. Shweta Mehta (Company Secretary) - Rs. 95,000/- Mr. V K Vora (CFO) Rs. 2,46,667/-

viii. Market value of all quoted investments-Rs.17,82,420/- (Rs.8,48,833/-). Provision for diminution in value of investments- Nil. Investments in Properties are partly paid to the extent of amount due and payable as per the terms of purchase and progress of construction and are shown as other non current investments as per requirement of Schedule III.

ix. Miscellaneous expenses grouped under the head of Other Expenses include Rs.20,950/- (Rs.14,350/-) for audit fees, Rs. 3,540/- (Rs.3,450) for internal audit, Rs.18,900/- (Rs.18,000/-) for Secretarial Auditors fees, reports, certification of returns, e-voting work..

x. Contingent liabilities and commitments (to the extent not provided for) - Uncalled liability on commitments for Investments in Properties under construction or development Rs.147 Lacs.

xi. Notes on Consolidation

- a. The original cost of investment in associates includes capital reserves of Rs. 116.40 Lacs for Bombay Mercantile & Leasing Company Limited and Rs. 12.33 lacs for Sita Offers & Bourse Expertise Ltd.. The capital reserve has been calculated as per the accounts of associates for the financial year ended after the last acquisition of shares by the company.
- b. Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associates Companies.

Part – A – Subsidiaries – Not Applicable (No Subsidiary)

Part – B – Associates

Name of Associates	Bombay Mercantile & leasing Company Ltd. 1	Sita Offers & Bourse Expertise Ltd. 2
1. Latest audited Balance Sheet Date	31/03/2018	31/03/2018
2. Date on which the Associate was associated	01/04/2002	24/01/1995
3. Shares of Associate held by the company on the year end		
No.	1205000	730000
Amount of Investment in Associates (Rs. in Lacs)	180.75	172.90
Extent of Holding (in percentage)	48.98	48.67
4. Description of how there is significant influence	Shareholding	Shareholding
5. Reason why the associate is not consolidated	NA	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lacs)	335.85	212.75
7. Profit or Loss for the year (Rs. in Lacs)	3.62	3.58
i. Considered in Consolidation (Rs. in Lacs)	1.77	1.74
ii. Not Considered in Consolidation (Rs. in Lacs)	1.85	1.84

Joint Ventures – Nil

Name of Associates or joint ventures which are yet to commence operation – NA

Name of Associates or joint ventures which have been liquidated or sold during the year - NA

- c. Disclosure of net assets and share in profit and loss as per general instruction for preparation of Consolidated Financial Statements.

Sr. No.	Name of the Entity	Net Assets Total Assets minus Total Liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (Rs. in lacs)	As % of consolidated profit or (loss)	Amount (Rs. in lacs)
1.	Sita Enterprises Limited	83.84	1012	86.79	23.07
2	Bombay Mercantile & Leasing Company Limited - Associates	12.74	155	6.66	1.77
3	Sita Offers & Bourse Expertise Limited - Associates	3.32	40	6.55	1.74
		100.00	1207	100.00	26.58

For and on behalf of the Board

For Maheshwari Maheshwari & Co.

Firm Registration No.105838W

Chartered Accountants

A.Tulsyan
Director

S. Tulsyan
Director

Savita B. Maheshwari

Membership No. 102278

Partner

Priyanka Kakhani
Company Secretary

V K Vora
Chief Financial Officer

Mumbai, 18th May 2018