

# **SITA**

ENTERPRISES LTD.

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Report  
and  
Accounts  
2020

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# **SITA ENTERPRISES LIMITED**

## **BOARD OF DIRECTORS**

Mr. A.Tulsyan, Whole Time Director

Mr. Mukesh Sarswat, Independent Director

Mr. Sandeep S. Rathi, Independent Director

Smt. S.Tulsyan

Smt. Sneha Tulsyan

## **COMPANY SECRETARY**

Mrs. Shweta Mehta

## **CHIEF FINANCIAL OFFICER**

Mr. V K Vora

## **BANKERS**

Canara Bank

HDFC Bank

Barclays Bank

## **AUDITORS**

M/s. Patel Shah & Joshi

Chartered Accountants

## **REGISTERED OFFICE**

415-416, Arun Chambers,

Tardeo Road,

MUMBAI - 400 034.

CIN: L45202MH1982PLC026737

PHONE: 022 - 6662 7383 / 84

EMAIL: [sitaenterprisesltd@yahoo.com](mailto:sitaenterprisesltd@yahoo.com)

WEBSITE: [www.sitaenterprises.com](http://www.sitaenterprises.com)

# SITA ENTERPRISES LIMITED

## NOTICE

Notice is hereby given that the Thirty-seventh Annual General Meeting of the members of Sita Enterprises Ltd. will be held on Friday the 18<sup>th</sup> December, 2020 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 for the year ended 31-3-2020 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Ms. Sneha Tulsyan (Director Identification Number : 01686490) who retires from office by rotation and being eligible offers herself for re-appointment.

By Order of the Board

Mumbai, 12<sup>th</sup> November, 2020

Shweta Mehta  
Company Secretary

### NOTES:

1. 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.

2. Register of Members and Share Transfer Register of the Company will be closed from 12<sup>th</sup> December to 18<sup>th</sup> December, 2020 (both days inclusive).
3. The Notice of AGM along with the Annual Report 2019-20 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.
4. Relevant documents and registers will be available for inspection by the members at the Annual General Meeting.
5. 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.
6. Shareholders or his/her proxy will be required to follow the Covid-19 regulatory guidelines while attending the meeting. They shall produce the attendance slip sent herewith duly completed and signed at the entrance of the meeting hall. 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.

7. 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.

8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to DP with whom they have demat accounts. 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.

9. 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.

### 10. 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.

The Company is offering a 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 11<sup>th</sup> December, 2020. 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 11<sup>th</sup> December, 2020 shall be entitled to avail the facility of remote e-voting/ ballot voting. The remote e-voting period shall commence at 9.00 a.m. on Tuesday, the 15<sup>th</sup> day of December, 2020 and will end at 5.00 p.m. on Thursday, the 17<sup>th</sup> day of December, 2020. The remote e-voting module shall be disabled by NSDL at 5.00 p.m. on 17<sup>th</sup> day of December, 2020. 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 Shareholder, he/she will not be allowed to change it subsequently.
- d. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 11<sup>th</sup> December, 2020, may obtain

- the login ID and password by sending an email to [sitaenterprisesltd@yahoo.com](mailto:sitaenterprisesltd@yahoo.com) or [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com).
- e. Process and Manner for Shareholders, opting for remote e-voting is as under:-

**A. In case of Shareholders receiving email from NSDL:**

i. Any member whose shares are in demat form and whose email address is registered with the Company/Depository Participant(s) will receive an email from NSDL. Open email 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: Shareholders already registered with NSDL for e-voting will not receive the PDF file “Remote E-Voting”.

ii. Launch the internet browser by typing the URL <https://www.evoting.nsdl.com>.

iii. Click on “Shareholder-login”

iv. Put user ID and password as initial password noted in step (i) above. Click “Login”

v. Password change menu appears. Change the password with a new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. Home page of “e-voting” opens. Click on “e-voting”: Active Voting Cycles.

vii. Select Electronic Voting Event Number (EVEN) of Sita Enterprises Limited.

viii. Now you are ready for “e-voting” as the “Cast Vote” page opens.

ix. Cast your vote by selecting the appropriate option and click on “Submit” and also “Confirm” when prompted.

x. 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.

xi. 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 Email at [vkmassociates@yahoo.com](mailto:vkmassociates@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**B. In case of Shareholders receiving Notice by Post:**

i. Initial password is provided at the bottom of the attendance slip.

ii. Please follow all steps from Sr. No. (ii) to Sl. No. (x) above, to cast your vote.

C. The voting through remote e-voting period commences from 09:00 A.M. on 15<sup>th</sup> December, 2020 and ends at 5:00 P.M. on 17<sup>th</sup> December, 2020. 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](http://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](http://www.evoting.nsdl.com).

11. The Board of Directors have appointed Mr. A. Tulsyan, Whole Time Director, Ms. Shweta Mehta, Company Secretary and Mr. V. K. Vora, CFO as the persons 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.

12. For any query(ies) / grievance(s) relating to remote e-voting, please contact Toll Free on 1800-222-990 or e-mail at [info@sitaenterprises.com](mailto:info@sitaenterprises.com) or NSDL to Mr. Pratik Bhatt 022-2499 4738, [PratikB@nsdl.co.in](mailto:PratikB@nsdl.co.in).

13. 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](http://www.sitaenterprises.com), NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and Stock Exchanges, at [www.bseindia.com](http://www.bseindia.com).

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

Name of the Director - Sneha Tulsyan. Director Identification No. – 01686490 Date of Birth - 22/05/1989. Date of Appointment as director - 28/09/2018. Expertise – General Management. Qualification – MBA, ACA & B.Com. No. of shares held in the company - 1,000.

Number of Board meetings Attended - 2, Category – Director (daughter of Mr. Ashok Tulsyan and Mrs. Sanju Tulsyan - Promoter Directors in the Company). Other Public Companies in which Directorship held - Goyal Housing and Finance Ltd. Member of the Committees of other Companies – Nil. Remuneration Drawn – Nil.

By Order of the Board

Mumbai, 12<sup>th</sup> November, 2020

Shweta Mehta  
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-seventh Annual Report of the Company together with the audited Annual Accounts showing the financial position of the Company for the year ended on 31<sup>st</sup> March 2020.

### Management Discussion & Analysis

i) Industry structure and development: The company is a Non-Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC) registered with Reserve Bank Of India Act, 1934. The company is engaged in investments and finance.

ii) Opportunities & Threats: The Company is keeping a close watch on the trends in industry, for making investments and giving loans in accordance with its size of operations taking into account the possible threats due to external factors including the ongoing Covid-19 pandemic crisis.

iii) Segment-wise or product-wise performance: The Company operates only in the segment of finance and investment and as such there is no reportable segments wise or product wise performance.

iv) Outlook: With the ongoing Covid-19 pandemic crisis and other factors, the management is striving to achieve reasonable performance in the current financial year: 2020-2021.

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, and to assess that the work flow of the 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 Lakhs
Gross Income	78.45
Gross Operating Profit	58.65
Provision for Taxation	2.66
Profit After Tax	55.99

### Covid -19 Pandemic

The impact assessment of Covid -19 pandemic is a continuously evolving process, given its intensity. The company shall continue to monitor all material changes to future conditions arising due to pandemic. Management is of the view that there are no reasons now to believe that the pandemic will have any substantial impact on the performance of the company. Nevertheless, the impact in sight of the evolution of pandemic in the future period is uncertain and could impact the future performance.

### Indian Accounting Standard (Ind-AS)

The company has adopted Indian Accounting Standard (Ind-AS) for preparing financial; statements from 1<sup>st</sup> April 2019 with the transition date of 1<sup>st</sup> April 2018. The details of transition including reconciliation with previous financial statements as per GAAP and other details required as per The Companies Act, 2013(the act) are given in the Ind-AS financial statements.

### Dividend and Transfer to Reserves:

Your Directors do not recommend any dividend for the year ended on 31<sup>st</sup> March 2020. An amount of Rs. One Lac has been transferred from surplus balance in Statement of Profit And Loss to general

reserve during the year. An amount of Rs. One Hundred Fifty Lakhs has been classified as special reserve as per RBI guidelines.

### Directors and Key Managerial Personnel

Mrs. Sneha Tulsyan retires from the Board by rotation and being eligible, offers herself 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 the independent directors no other remuneration is paid to directors. Commensurate with the 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 the Board and its committees, culture, execution and performance of specific duties, obligation and governance.

### NBFC Activities

The Company is classified as an Investment and Credit Company (NBFC-ICC) as per RBI guidelines. The Company is not accepting/holding public deposits and as such no amount on account of principal or interest on public deposit was outstanding on the date of balance sheet.

### Particulars of loans, guarantees or investment:

The Company being a non banking finance company registered with Reserve Bank of India, the provisions of section 186 of The Companies Act, 2013 are not applicable to it.

### Audit Committee:

The Company has constituted an audit committee with Mr. S Rathi as chairman, Mr. Mukesh Sarswat and Mr. A. Tulsyan as members. All recommendations of the 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:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- 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;
- 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;
- That the directors have prepared the annual accounts on a going concern basis.
- That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls were adequate and operating effectively.

f. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Related Party Transactions**

Related party transactions were on arm's length basis and were in the ordinary course of the business. 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. Patel Shah & Joshi, Chartered Accountants, are the statutory auditors of the company. There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors in their Report on the financial statements for the period.

#### **Secretarial Auditors**

M/s. VKM & Associates are the Secretarial auditors of the company. They have given their Secretarial Audit Report in form MR3 for the period. There are no qualifications, reservations or adverse remarks or disclaimers made by them in their Report.

#### **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 all its 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.

#### **Annual Return:**

In accordance with Section 134(3)(a) of the act, an extract of the Annual Return in form MGT-9 is annexed. A copy of annual return shall also be placed on the website of the company—[www.sitaenterprises.com](http://www.sitaenterprises.com).

#### **Subsidiaries, Associates and joint Ventures**

The company does not have any subsidiary or joint venture. The company has an associate company namely, Bombay Mercantile & Leasing Company Ltd. The accounts of this associate concern have not been consolidated with that of the company as there is no requirement for the same as per provisions of Accounting Standard - Ind (AS) 28. for the reasons mentioned in the prescribed form AOC-I, annexed separately.

#### **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.

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 other 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. During the year - there has been no change in nature of business conducted by the company, there has been no change in share capital, no share has been transferred in suspense account, no fraud has been reported to the audit committee, no order or penalty was passed against the company by any authority.

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 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 cooperation extended by employees, customers, bankers and all other constituents.

On behalf of the Board

Mumbai, 12<sup>th</sup> November, 2020

**A. Tulsyan**  
Director

**S. Tulsyan**  
Director

**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 2019-2020 [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 2019-20. Mr. V.K.Vora– Chief Financial Officer (increase) 11.21%, Company Secretary (increase) 29%.

(iii) The percentage increase / decrease in the median remuneration of employees in the financial year 2019-20 (Increase) 28.97%

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

(v) The explanation on the relationship between average increase / decrease in remuneration and Company performance (Profit before tax increase by 410.20%). The overall increase in remuneration was 10.92%.

(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 31-03-2019 Rs. 472.50 Lakhs and on 31-03-2020 Rs.292.50 Lakhs. EPS – as on 31-03-2019 Rs.0.29 and as on 31-03-2020 Rs.1.87. The last public offer for equity shares of the company was an offer for sale made in 1994-95 for 7.5 Lakhs equity shares of Rs. 10/- each at par. The market quotation (BSE Closing price of a single equity share of company as on 31-03-2020 was Rs. 9.75 representing a 38.09% decrease from the closing price as on 31-03-2019.

(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 each remuneration of Key Managerial Personnel against the performance of the Company during the Financial Year 2019-2020 is as: [The amount paid to key managerial personnel during the year was 5.84% of total gross revenue and 8.18% 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.61,800/- paid to independent directors no remuneration was paid to directors. Payments to Key Managerial Personnel (KMP) – Rs.1,61,758/- to Company Secretary and Rs. 2,96,638/- to CFO. The company maintains the minimum number of employees for day to day affairs and this remuneration is 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 are required to be furnished.

**AOC - I**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to subsidiaries or Associates Companies or Joint Ventures.

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

Part – B – Associates

Name of Associates	Bombay Mercantile & Leasing Company Ltd.
<b>1. Latest audited Balance Sheet Date</b>	31/03/2019
<b>2. Date on which the Associate was associated</b>	01/04/2002
<b>3. Shares of Associate Company held by the company on the year end</b>	
Number of Shares	12,05,000
Amount of Investment in Associates (Rs. in Lakhs)	180.75
Extent of Holding (in percentage)	48.98
<b>4. Description of how there is significant influence</b>	No significant influence as per Ind AS 28
<b>5. Reason why the associate is not consolidated</b>	* As per note below
<b>6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lakhs)</b>	336.96
<b>7. Profit or Loss for the year (Rs. in Lakhs)</b>	2.25
i. Considered in Consolidation (Rs. in Lakhs)	-
ii. Not Considered in Consolidation (Rs. in Lakhs)	2.25

\* The company (SEL) does not have significant influence over Bombay Mercantile and Leasing Company Ltd. (BML) in terms of provisions of Accounting Standard - Ind AS 28 as **there is no** - (a) Representation on the board of directors or equivalent governing body of the investee; (b) participation in policy making processes, including participation in decisions about dividends or other distributions ; (c) material transactions between the entity and its investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

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

For and on behalf of the Board

**A Tulsyan**  
Director

**S. Tulsyan**  
Director

**Shweta Mehta**  
Company Secretary

**V K Vora**  
Chief Financial Officer

Mumbai, 12<sup>th</sup> November, 2020

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31<sup>st</sup> March 2020

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

I REGISTRATION & OTHER DETAILS:		
i	CIN	L45202MH1982PLC026737
ii	Registration Date	22 <sup>nd</sup> March, 1982
iii	Name of the Company	SITA ENTERPRISES LIMITED
iv	Category/Sub-category of the Company	Company having share capital
v	Address of the Registered office & contact details	415-416, ARUN CHAMBERS, TARDEO ROAD, MUMBAI- 400 034
vi	Whether listed company	YES at BSE Limited
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel : 022 - 49186000

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY		
All the business activities contributing 10% or more of the total turnover of the company shall be stated		
Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
Financial Services (NBFC activities)	99711	100

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES / CONCERNS					
Sr. no.	Name & Address of the Company	CIN/ GLN No.	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Bombay Mercantile & Leasing Company Limited 415-416, Arun Chambers, Tardeo Road, Mumbai - 400034	U51900MH1984PTC032615	Associate	48.98	2(6)

IV SHAREHOLDING PATTERN (Equity Share capital Breakup as % of total Equity)										
i)	Category-wise Share Holding	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoters</b>										
<b>(1) Indian</b>										
	a) Individual/HUF	823500		823500	27.45	823500		823500	27.45	-
	b) Central or State Govt.									
	c) Bodies Corporate	1426500		1426500	47.55	1426500		1426500	47.55	-
	d) Bank/FI									
	e) Any other									
	<b>SUB TOTAL: (A) (1)</b>	<b>2250000</b>		<b>2250000</b>	<b>75.00</b>	<b>2250000</b>		<b>2250000</b>	<b>75.00</b>	<b>-</b>
<b>(2) Foreign</b>										
		-		-	-	-		-	-	-
	<b>SUB TOTAL: (A) (2)</b>									
	<b>Total Promoter Shareholding (A) = (A)(1)+(A)(2)</b>	<b>2250000</b>		<b>2250000</b>	<b>75.00</b>	<b>2250000</b>		<b>2250000</b>	<b>75.00</b>	<b>-</b>

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>B Public Shareholding</b>										
<b>(1) Institutions</b>										
		-		-	-	-		-	-	-
	<b>SUB TOTAL: (B) (1)</b>									
<b>(2) Non-Institutions</b>										
	a) Bodies Corporate									
	i) Indian	13650	55500	69150	2.30	12551	55500	68051	2.26	-0.03
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital up to Rs.1 lakh	297337	160400	457737	15.26	301625	159200	460825	15.36	+0.10
	ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakh	109948	75000	184948	6.16	109948	74700	184648	6.15	-0.01
	c) NBFCs Registered with RBI	200	-	200	0.01	0	0	0	0	-0.01
	d) Others (specify)									
	i) Hindu Undivided Family	36209	0	36209	1.20	36419	0	36419	1.21	+0.0070
	ii) Non Resident Indians	57		57	0.01	57		57	0.01	
	iii) Clearing member	1699	0	1699	0.06	0	0	0	0	-0.06
	<b>SUB TOTAL: (B) (2)</b>	<b>459100</b>	<b>290900</b>	<b>750000</b>	<b>25.00</b>	<b>460600</b>	<b>289400</b>	<b>750000</b>	<b>25.00</b>	
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>459100</b>	<b>290900</b>	<b>750000</b>	<b>25.00</b>	<b>460600</b>	<b>289400</b>	<b>750000</b>	<b>25.00</b>	
<b>C Shares held by custodian for GDRs &amp; ADRs</b>										
	<b>GRAND TOTAL: (A+B+C)</b>	<b>2709100</b>	<b>290900</b>	<b>3000000</b>	<b>100</b>	<b>2710600</b>	<b>289400</b>	<b>3000000</b>	<b>100</b>	



ii) Shareholding of Promoters								
Sr. No	Shareholders' Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			
		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 shareholding 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 Tulsyan	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	-	-
<b>TOTAL</b>		<b>2250000</b>	<b>75.00</b>	<b>-</b>	<b>2250000</b>	<b>75.00</b>	<b>-</b>	<b>-</b>

iii) Change in Promoters' Shareholding								
There are no changes in the promoter's shareholdings during the financial year 2019-20. * Now LLPs. In Depository Accounts of these companies the change of name on their conversion into LLP is pending.								

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)								
Sr. No.	Shareholders' Name	Shareholding at 01/04/2019 / 31/03/2020 of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/19 to 31/03/20)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	M SINGH	75000	2.5	1 Apr 2019	0		75000	2.5
				17 May 2019	-74700	T		
		300	0.01	31 Mar 2020			300	0.01
2	CHARM FISCAL COMPANY PVT.LTD.	52900	1.7633	1 Apr 2019	0			
		52900	1.7633	31 Mar 2020			52900	1.7633
3	MANMOHAN R. PRAHALADKA	18865	0.6288	1 Apr 2019	0			
		18865	0.6388	31 Mar 2020			18865	0.6288
4	AMIT HUKMICHAND HEDA	15000	0.5	1 Apr 2019	0			
		15000	0.5	31 Mar 2020			15000	0.5
5	SUMAN DEVI BAGARIA	52350	17.450	1 Apr 2019	0			
		52350	1.745	31 Mar 2020			52350	1.745
6	MUKESH KUMAR BAGERIA	17390	0.5797	1 Apr 2019	0			
		17390	0.5797	31 Mar 2020			17390	0.5797
7	DEEPAK HARLALKA	25208	0.8403	1 Apr 2019	0			
		25208	0.8403	31 Mar 2020			25208	0.8403
8	SANGEETA PAWAN KHETAN	0	0	1 Apr 2019	0			
				17 May 2019	25300	T		
		25300	0.8433	31 Mar 2020			25300	0.8433
9	NILESH PAWAN KHETAN	0	0	1 Apr 2019	0			
				17 May 2019	25100	T		
		25100	0.8367	31 March 2020			25100	0.8367
10	SATYANARAYAN KHETAN	0	0	1 April 2019	0			
				17 May 2019	24300	T		
		24300	0.81	31 March 2020			24300	0.8111
11	RAJ KUMAR LOHIA	11733	0.3911	1 Apr 2019	0			
		11733	0.3911	31 March 2020			11733	0.3911

\*T - Transfer

v) Shareholding of Directors and Key Managerial Personnel (KMP)								
Sr. No.	Shareholders' Name	Shareholding at the beginning (01/04/2019)/ end (31/03/2020) of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/19 to 31/03/20)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
<b>A Directors</b>								
1	ASHOK TULSYAN	130500	4.35	01 Apr 2019	-			
		130500	4.35	31 Mar 2020			130500	4.35
2	SANJU TULSYAN	63900	2.13	01 Apr 2019	-			
		63900	2.13	31 Mar 2020			63900	2.13
3	SNEHA TULSYAN	1000	0.03	01 Apr 2019				
		1000	0.03	31 Mar 2020			1000	0.03
4	MUKESH SARSWAT	0	0	01 Apr 2019				
		0	0	31 Mar 2020			0	0
4	SANDEEP RATHI	0	0	01 Apr 2019				
		0	0	31 Mar 2020			0	0
<b>B Key Managerial Personnel (KMP)- Nil Shareholding</b>								

<b>V</b>	<b>INDEBTEDNESS</b> The Company had no indebtedness with respect to secured or unsecured Loans or Deposits during the financial year 2019-20.
<b>VI</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b> Whole Time Director – NIL, Independent Directors - sitting fees paid to Mr. Sandeep Rathi - Rs.30,900/- and to Mr. Mukesh Sarswat - Rs.30,900/-. Key managerial Personnel – Paid to Company Secretary - Mrs. Priyanka Kakhani - Rs.1,10,710/- and Mrs. Shweta Mehta Rs. 51,048 -/and to CFO - Mr. V K Vora - Rs. 2,96,638/-
<b>VII</b>	<b>PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES – NIL</b>

FORM MR-3

**SECRETARIAL AUDIT REPORT**

**FOR FINANCIAL YEAR ENDED ON 31 MARCH, 2020**

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

**To,  
The Members,  
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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company 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, 2020 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 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, 2018 – Not applicable as the company has not issued any shares during the year under review;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - 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 / proposed to delist its equity shares from any Stock Exchange during the year under review;
  - (h) The Securities and Exchange Board of India (SEBI (Buyback of Securities) Regulations, 2014 - Not applicable as the Company has not bought back or proposed 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**

**UDIN No.: F005023B000610265**

**Place: Mumbai  
Date: 24/08/2020**

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 Members,  
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 a 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**

**UDIN No.: F005023B000610265**

**Place: Mumbai  
Date: 24/08/2020**

## Independent Auditor's Report

To the Members of  
**Sita Enterprises Limited**  
Report on the audit of financial statements

### Opinion

We have audited the accompanying standalone financial statements of Sita Enterprises Limited ("the Company"), which comprise the balance sheet as at March 31 2020, the statement of profit and loss, including the detail of other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

### Basis for opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Key Audit Matter – Adoption of new accounting framework (Ind AS)**

Effective April 01, 2019, the Company adopted the Ind AS notified by the Ministry of Corporate Affairs with the transition date of April 01, 2018. Classification and measurements of financial assets, accounting of expected credit losses and complexity of disclosure are the major impact areas for this transition. Because of the significant degree of management judgement in the first-time application of Ind AS principles, we identified this as a key audit matter.

#### **Response to Key Audit Matter –**

We have assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation in line with the principles under Ind AS 101. We understood the methodology implemented by management; assessed areas of significant estimates and management judgment; compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments, allowance for expected credit losses etc.

We performed the audit procedures on transition adjustments and subsequent measurements and found management's assessment to be reasonable and the disclosures are appropriate.

### Other Information

The Company's Board of Directors are responsible for the other

information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

### 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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the 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 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.

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

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

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

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

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

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

#### **Other Matters**

1. The financial statements of the Company are based on the previously issued financial statements for the year ended March 31, 2019 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) after making adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS. Our opinion is not modified in respect of this matter.
2. We have accepted the figures and information in the financial statements of the Company up to the period ended March 31, 2019, which were audited by another firm of chartered accountants under the Act who, vide their report dated 17/05/2019, expressed an unmodified opinion on those financial statements.

#### **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.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss, statement of changes in equity and the statement of cash flows 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197(16) read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company did not have any pending litigation which impact on its financial positions ;
  - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **Patel Shah & Joshi**  
Chartered Accountants,  
Firm Registration No.107768

**Jayant I. Mehta**  
Partner

Membership No. 42630  
UDIN: 20042630AAAABQ1599

Mumbai, 31<sup>st</sup> July, 2020

## 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.
- III. The company has not granted any loans, secured or unsecured, to companies, firms 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 custom duty, provident fund, employees’ state insurance, Goods and service tax 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 institutions, 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 directors 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) it has been registered as an NBFC under section 45-IA of the Reserve Bank of India Act, 1934.

For **Patel Shah & Joshi**  
Chartered Accountants  
Firm Registration No. 107768W

**Jayant I. Mehta**  
Partner  
Membership No. 42630  
UDIN: 20042630AAAABQ1599

Mumbai, 31st July 2020

## 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, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Patel Shah & Joshi**  
Chartered Accountants,  
Firm Registration No.107768W

**Jayant I. Mehta**  
Partner

Membership No. 42630  
UDIN: 20042630AAAABQ1599

Mumbai, 31st July, 2020

# SITA ENTERPRISES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2020

Rupees in Lakhs

P A R T I C U L A R S	Note No.	As at 31-March-2020	As at 31-March-2019	As at 01-April-2018
<b>I ASSETS</b>				
<b>1 Financial Assets</b>				
Cash and Cash Equivalents	4	11.10	5.35	2.03
Receivables	5	296.23	50.00	87.50
Loans	6	169.70	189.25	144.51
Investments	7	221.40	435.12	442.59
		698.43	679.72	676.63
<b>2 Non Financial Assets</b>				
Current Tax Assets (Net)		2.54	2.17	6.08
Investment Property	8	341.00	303.78	296.14
		343.54	305.95	302.22
<b>TOTAL ASSETS</b>		<b>1,041.97</b>	<b>985.67</b>	<b>978.85</b>
<b>II LIABILITIES AND EQUITY</b>				
<b>1 Liabilities</b>				
Financial Liabilities				
Trade Advances Received		12.50	12.50	12.50
Sundry Payables		0.23	0.17	0.27
Non Financial Liabilities				
Current Tax Liabilities		3.00	2.75	4.50
Contigent Provisions		2.50	2.50	2.50
<b>Total Liabilities</b>		<b>18.23</b>	<b>17.92</b>	<b>19.77</b>
<b>2 Equity</b>				
Equity Share Capital	9	300.00	300.00	300.00
Other Equity	10	723.74	667.75	659.08
<b>Total Equity</b>		<b>1,023.74</b>	<b>967.75</b>	<b>959.08</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,041.97</b>	<b>985.67</b>	<b>978.85</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report attached  
**For PATEL SHAH & JOSHI**  
 Firm Registration No. 107768W  
 Chartered Accountants

**For and on behalf of the Board**

**Jayant I. Mehta**  
**Membership No: 42630**  
**Partner**

**A. Tulsyan**  
 Director

**S. Tulsyan**  
 Director

**Shweta Mehta**  
 Company Secretary

**V K Vora**  
 Chief Financial Officer

MUMBAI, 31st July, 2020

# SITA ENTERPRISES LIMITED

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

Rupees in Lakhs

P A R T I C U L A R S	Note No.	Year Ended 31-March-2020	Year Ended 31-March-2019
<b>I INCOME</b>			
<b>Revenue from Operations</b>			
Income from Operations	11	48.34	30.59
Other Operating Income	12	30.02	(3.31)
<b>Total Revenue from Operations</b>		78.36	27.28
Other Income		0.09	-
<b>Total Income</b>		78.45	27.28
<b>II EXPENSES</b>			
Impairment Provisions on Loans	13	2.54	(0.03)
Employee Benefit Expense	14	5.18	4.67
Other Expenses	15	12.08	11.15
<b>Total Expenses</b>		19.80	15.79
<b>III Profit before Exceptional Items and Tax</b>		58.65	11.49
<b>IV Exceptional Items</b>		-	-
<b>V Profit before Tax</b>		58.65	11.49
<b>VI Tax Expense</b>			
(1) Current tax		3.00	2.75
(2) Deferred tax		-	-
(3) Income tax for earlier year		(0.34)	0.07
<b>Total Tax</b>		2.66	2.82
<b>VII Profit for the year</b>		55.99	8.67
<b>VIII Other Comprehensive Income</b>		-	-
<b>IX Total Comprehensive Income for the year</b> (Comprising Profit and other Comprehensive Income for the period)		55.99	8.67
<b>X Earning per equity share (Face Value of Rs.10):</b>			
(1) Basic (in Rs.)		1.87	0.29
(2) Diluted (in Rs.)		1.87	0.29

The above Profit and Loss should be read in conjunction with the accompanying notes.

As per our report attached  
**For PATEL SHAH & JOSHI**  
 Firm Registration No. 107768W  
**Chartered Accountants**

**Jayant I. Mehta**  
 Membership No: 42630  
 Partner

MUMBAI, 31st July, 2020

**For and on behalf of the Board**

**A. Tulsyan**  
 Director

**S. Tulsyan**  
 Director

**Shweta Mehta**  
 Company Secretary

**V K Vora**  
 Chief Financial Officer

# SITA ENTERPRISES LIMITED

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

P A R T I C U L A R S	For the Year Ended 31-March-2020	Rupees in Lakhs For the Year Ended 31-March-2019
<b>Cash Flow from Operating Activities:</b>		
Net profit before tax and Extraordinary items	58.65	11.49
Adjustments for:		
Net (gain) / loss on investments	(30.02)	3.31
Depreciation	-	-
(Profit)/Loss on sale of fixed assets	-	-
Operating Profit Before Working Capital Changes	28.63	14.80
Adjustments for:		
1. Receivables	(246.23)	37.50
2. Loans	19.55	(44.74)
3. Current Tax Assets (Net)	(0.37)	3.91
4. Financial Laibilities	0.06	(0.10)
5. Non Financial Liabilities	0.25	(1.75)
Cash Generated from Operations	(198.11)	9.62
Direct Taxes paid	(2.66)	(2.82)
<b>Net Cash from Operating Activities.....A</b>	<b>(200.77)</b>	<b>6.80</b>
 <b>Cash Flow from investing Activities</b>		
Purchase of Fixed Asset	-	-
Sale of Fixed Assets	-	-
Purchase of Investment	(319.79)	(170.85)
Sale of Investment	526.32	167.37
<b>Net Cash Used in Investing Activities.....B</b>	<b>206.53</b>	<b>(3.48)</b>
<b>Cash Flow from Financing Activities:</b>		
<b>Net Cash Flow from Financing Activities.....C</b>	-	-
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	<b>5.75</b>	<b>3.32</b>
Cash and Cash equivalents Opening Balance	5.35	2.03
Cash and Cash equivalents Closing Balance	11.10	5.35

Note: Figures in brackets represent outflows.

The above statement should be read in conjunction with the accompanying notes.

As per our report attached

For and on behalf of the Board

**For PATEL SHAH & JOSHI**

Firm Registration No. 107768W

**Chartered Accountants**

**A.Tulsyan**

Director

**S.Tulsyan**

Director

**Jayant I. Mehta**

Membership No: 42630

Partner

**Shweta Mehta**

Company Secretary

**V K Vora**

Chief Financial Officer

MUMBAI, 31st July, 2020



# SITA ENTERPRISES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

Rupees in Lakhs

A. EQUITY SHARE CAPITAL				
PARTICULARS	Note	As at 31-March-2020	As at 31-March-2019	As at 31-March-2018
<b>Balance at the beginning of the reporting period</b>	16.6	300.00	300.00	300.00
Changes in equity share capital during the year		-	-	-
<b>Balance at the end of the reporting period</b>		300.00	300.00	300.00

### B. OTHER EQUITY

PARTICULARS	Reserves and Surplus			Total Other Equity
	General Reserve	Special Reserve	Retained Earnings	
<b>Balance as at 01/04/2018</b>	537.50	-	121.58	659.08
Profit for the year 2018-19	-	-	8.67	8.67
Other comprehensive income for the year (net of tax)	-	-	-	-
Transfer to general reserves from retained earnings	1.00	-	(1.00)	-
<b>Balance as at 31/03/2019</b>	<b>538.50</b>	<b>-</b>	<b>129.25</b>	<b>667.75</b>
<b>Balance as at 01/04/2019</b>	538.50	-	129.25	667.75
Profit for the year 2019-20	-	-	55.99	55.99
Other comprehensive income for the year (net of tax)	-	-	-	-
Transfer to special reserves from general reserves & retained earnings	(110.00)	150.00	(40.00)	-
Transfer to general reserves from retained earnings	1.00	-	(1.00)	-
<b>Balance as at 31/03/2020</b>	<b>429.50</b>	<b>150.00</b>	<b>144.24</b>	<b>723.74</b>

#### Nature and Purpose of Reserves

##### General reserves

The general reserve is a distributable reserve and is created from time to time by appropriating profits from Retained Earnings. The general reserve is created by a transfer from one component of equity to another. Accordingly, it is not reclassified to the statement of profit and loss.

##### Special Reserve

Special Reserve has been created by transfer therein a sum not less than twenty per cent of the net profit every year as disclosed in the statement of profit and loss before any dividend is declared as per Reserve Bank of India (RBI) guidelines for NBFC. No appropriation of any sum from this special reserve shall be made by the company except for the purpose as may be specified by the RBI.

##### Retained Earnings

Retained earnings represents the undistributed profits/ amount of accumulated earnings of the company available for distribution to the shareholders.

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

As per our report attached

**For and on behalf of the Board**

**For PATEL SHAH & JOSHI**

**Chartered Accountants**

Firm Registration No. 107768W

**A. Tulsyan**

Director

**S. Tulsyan**

Director

**Jayant I. Mehta**

Membership No: 42630

Partner

**Shweta Mehta**

Company Secretary

**V K Vora**

Chief Financial Officer

MUMBAI, 31st July, 2020

# SITA ENTERPRISES LIMITED

## NOTES ON ACCOUNTS for the financial year ended 31-03-2020

### 1 - Corporate Information

Sita Enterprises Limited (the Company) is a public limited company registered in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a Non-Banking Financial Company with Reserve Bank of India as a non-systematic important NBFC not accepting / holding public deposits. It is classified as an Investment and Credit Company (NBFC-ICC) as per RBI guidelines. The Company is primarily engaged in Investments in shares, securities, mutual and other funds, properties and Financing through loans and trade receivables.

### 2 - Summary of Significant Accounting Policies and Disclosures

#### a) Statement of compliance

The standalone financial statements (hereinafter referred as financial statements) of the company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred as 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016] and other applicable provisions. The standalone financial statements up to year ended March 31, 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions. These financial statements are the first financial statements of the Company under Ind AS. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on these financial statements are provided in notes to the accounts.

#### b) Basis of Preparation

The financial statements have been prepared on the historical cost and accrual basis except for certain financial instruments which have been measured at Fair Value / Amortised Cost as described in these notes.

#### c) Financial Instrument

All financial instruments are recognised initially at transaction value. Financial assets in the form of receivables, loans and investments held for collecting contractual cash flows towards interest or other consideration and principal amount and are not held for sale are measured at amortised cost with impairment provisions. Receivables are accounted for using effective interest rate method or as per their respective terms. Financial assets in the form of investments held for future disposal- shares and securities quoted on the stock exchanges are periodically valued at the quoted prices, units of mutual funds are valued at the NAV and such assets are classified at fair value through profit or loss. Investment properties and unquoted investments in entities are valued at cost. All financial liabilities are measured at transaction value.

#### d) Impairment of Financial assets

The company makes provisions for impairment or Expected Credit Loss and reversals on applicable investments, receivables, loans and advances and other financial assets, which are measured at amortised cost, on the basis of the company's assessment on the reporting date based upon the available qualitative and quantitative considerations and relevant information.

#### e) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the Company. Interest income on loans and advances is recognised on the accrual basis as per terms. Income on trade receivables is recognised on reducing balance method of income calculation or as per terms. Dividend income is recognised on an accrual basis when the right to receive the dividend is established. Revenue on net Gain / Loss on fair value changes are accounted on the reporting / derecognition date in respect of financial instruments in the form of investments which are classified at fair value through profit or loss. In respect of that financial instrument in the form of investments including investment property which are classified at cost, or amortised cost, revenue on net gain / loss are accounted on the derecognition date.

#### f) Income Tax

Income tax provision is made as per the current applicable rates as a measure of prudence and As permitted in the accounting standards, the company does not recognise in books deferred tax assets on carried forward losses and MAT credit entitlement for future tax liabilities. Due to multiple tax computation options announced in tax laws and other prevalent factors these credits may not be lucrative to avail in future assessments. These carried forward entitlements are claimed in tax computation and are availed by the company in the tax provisions of the reporting period, if found beneficial as per prevalent tax provisions .

#### g) Write Offs

Financial Assets are written off either partially or entirely when there is no realistic prospect of recovery. The amount written off is adjusted against the accumulated impairment provisions and any shortfall is classified in Profit and Loss.

#### h) Current Vs Non-Current classification

The Company presents assets and liabilities in its Balance Sheet based on current/non-current classification. An asset / liabilities is classified as current when it is expected to be realised / settled or intended to be sold or consumed in normal operating cycle. The normal operating cycle is considered within twelve months after the reporting period. The Company classifies all other assets / liabilities as non-current.

**i) Derecognition**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or its contractual obligations are discharged or cancelled, or expire. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

**j) Fair value measurement**

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The carrying amounts of cash and cash equivalents, trade receivables, loans, Inter-corporate deposits, tax receivables, trade payables, deposits and other financial liabilities are considered to be the same as their fair values, due to their specific nature. The fair value of instruments in the form of investments in unlisted entities are observed with application of several valuation techniques. Due to multiple methods of valuations and number of assumptions required to be made in the exercise, the figures of fair value disclosures are estimates.

**k) Capital Management**

The primary objectives of the capital management policy is to ensure that the Company continuously complies with capital requirements required by the regulator, maintains and healthy debt to equity ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirements, Company depends on internal accrual or may raise additional capital. Company may monitor the amount of dividend payment to shareholders and return capital to shareholders.

**l) Defined benefit obligation**

The provisions of defined benefit obligations for employees are not applicable to the company for the period under report.

**m) Earnings per share**

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

**n) Others**

Cash and Bank balance, Equity Share Capital, Other Equity, provisions, Financial Liabilities, disclosure of Contingent Liabilities in notes and other accounting matters are dealt with as per applicable provisions.

**o) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**p) Recent accounting pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

**3 - Use of estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in making provisions of fair value changes, impairments, write offs and other provisions which may vary with the actual subsequent transaction. Appropriate with the size of operations in the company, important and material information is provided to assist users of financial statements as per MCA guidelines.

## SITA ENTERPRISES LIMITED

	As on 31/03/2020	As on 31/03/2019	Rupees in Lakhs As on 01/04/2018
<b>4 CASH AND CASH EQUIVALENTS</b>			
Cash on hand	0.97	1.33	1.69
Balance with banks in Current Accounts	10.13	4.02	0.34
	<u>11.10</u>	<u>5.35</u>	<u>2.03</u>
<b>5 RECEIVABLES</b>			
<b>At amortised cost - considered good</b>			
Trade Receivables on Rental Schedules- Secured	115.05	50.00	87.50
Receivables from related party- Unsecured	181.18	-	-
Less allowance for impairment loss	-	-	-
	<u>296.23</u>	<u>50.00</u>	<u>87.50</u>
<i>Detail in Note 16.3</i>			
<b>6 LOANS</b>			
<b>At amortised cost - considered good - Unsecured</b>			
Loans repayable on short notice	50.09	77.00	32.00
Other Loans	122.15	124.72	125.01
	<u>172.24</u>	<u>201.72</u>	<u>157.01</u>
Less Impairment Provision for Expected Credit Loss	2.54	12.47	12.50
	<u>169.70</u>	<u>189.25</u>	<u>144.51</u>
<i>Details in Note 16.4</i>			
<b>7 INVESTMENTS</b>			
<b>At fair value through profit &amp; loss</b>			
Equity Shares Quoted	8.20	15.41	18.80
Mutual Funds	25.15	36.45	30.21
<b>At amortised cost</b>			
Venture Capital Fund	-	69.61	79.93
(Less) Impairment Provisions	-	(40.00)	(40.00)
<b>Others At Cost</b>			
Associates Company Unlisted Equity Shares	180.75	180.75	353.65
Limited Liability Partnership	7.30	172.90	-
	<u>221.40</u>	<u>435.12</u>	<u>442.59</u>
<i>All investments are within India</i>			
<b>8 INVESTMENT PROPERTY</b>			
<b>At Cost</b>			
Opening balance	303.78	296.14	296.14
Add :- Addition during the year	89.13	134.74	-
Less :- Derecognition during the year	51.91	127.10	-
Balance at end of the period	<u>341.00</u>	<u>303.78</u>	<u>296.14</u>
<i>Details in Note 16.5</i>			
<b>9 EQUITY SHARE CAPITAL</b>			
<b>Authorised</b>			
30,00,000 Equity Shares of Rs.10/- each	<u>300.00</u>	<u>300.00</u>	<u>300.00</u>
<b>Issued, Subscribed and Fully Paid</b>			
30,00,000 Equity Shares of Rs.10/- each fully paid up in cash	<u>300.00</u>	<u>300.00</u>	<u>300.00</u>
<i>Details in Note 16.6</i>			
<b>10 OTHER EQUITY</b>			
<b>General Reserve</b>			
As per last account	538.50	537.50	536.50
Less : Transfer to Special Reserve	(110.00)	-	-
Add: Transfer from retained earnings	1.00	1.00	1.00
	<u>429.50</u>	<u>538.50</u>	<u>537.50</u>
<b>Special Reserve</b>			
Transfer from retained earnings and general reserve	150.00	-	-
<b>Retained Earnings</b>			
As per last account	129.25	121.58	121.58
Add: Profit for the period	55.99	8.67	-
Less: Transfer to Special Reserve	(40.00)	-	-
Less: Transfer to General Reserve	(1.00)	(1.00)	-
	<u>144.24</u>	<u>129.25</u>	<u>121.58</u>
<b>Total Other Equity</b>	<u>723.74</u>	<u>667.75</u>	<u>659.08</u>
<i>Details in Note 16.7</i>			

	As on 31/03/2020	Rupees in Lakhs As on 31/03/2019
<b>11 INCOME FROM OPERATIONS</b>		
<b>i. On financial assets measured at amortised cost</b>		
Interest on Loans	25.47	14.14
Income from receivable	21.99	14.10
<b>ii. On financial assets measured at fair value through profit and loss</b>		
Dividend Income	0.88	2.35
	<u>48.34</u>	<u>30.59</u>
<i>Details in Note 16.8</i>		
<b>12 OTHER OPERATING INCOME</b>		
<b>I. Net gain/ (loss) on fair value changes of financial instruments</b>		
A) Net gain /(loss) on instruments through profit and loss		
On Investments	8.62	(3.31)
B) Others		
On Investment Property	24.71	-
Total Net gain on fair value changes (C)	<u>33.33</u>	<u>(3.31)</u>
Fair value changes:		
Realised gain/(loss)	40.14	0.85
Unrealised gain/(loss)	(6.81)	(4.16)
<b>Total Net gain/(loss) on fair value changes (D) to tally with (C)</b>	<u>33.33</u>	<u>(3.31)</u>
<b>II. Net gain/ (loss) on derecognition of financial instruments</b>		
Realised loss (debited to profit and loss)	(43.31)	-
Unrealised loss (withdrawal of impairment provisions credited to profit and loss)	40.00	-
<b>Net gain/(loss) on derecognition</b>	<u>(3.31)</u>	<u>-</u>
<b>Total Other Operating Income</b>	<u>30.02</u>	<u>(3.31)</u>
<b>13 Impairment Provisions</b>		
<i>(on financial instruments measured at amortised cost)</i>		
On loans	2.54	(0.03)
On investments	-	-
	<u>2.54</u>	<u>(0.03)</u>
<b>Movement in Impairment Provisions during the year</b>		
Opening Balance	52.47	52.50
Withdrawal for bad debts on loans (credited to profit and loss)	(12.47)	-
Withdrawal for investments (credited to profit and loss)	(40.00)	-
Recognised / (Reversed) during the year	2.54	(0.03)
Closing Balance	<u>2.54</u>	<u>52.47</u>
<b>14 EMPLOYEE BENEFIT EXPENSE</b>		
Salary	4.86	4.38
Bonus	0.32	0.29
	<u>5.18</u>	<u>4.67</u>
<b>15 OTHER EXPENSES</b>		
Rent	3.00	2.95
Repairs & Maintenance Charges	-	0.24
Communication Cost	0.24	0.16
Printing & Stationery	1.39	1.47
Advertisement and publicity	0.18	0.19
Director's fees, allowances and Expenses	0.62	0.40
Auditor's remunerations (Audit Fees)	0.36	0.21
Internal Audit Fees	0.05	0.05
Legal and Professional Charges	0.27	0.52
Registrar & Depository Fees	1.02	0.90
Listing Fees	3.54	2.95
Travelling & Conveyance	0.75	0.52
Bad Debts Written Off	12.72	-
Other expenditure	0.41	0.59
	<u>24.55</u>	<u>11.15</u>
Less : ECL Empairment on Loans credited to profit and loss	12.47	-
	<u>12.08</u>	<u>11.15</u>

# SITA ENTERPRISES LIMITED

## 16. OTHER NOTES

- 16.1 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.
- 16.2 As per the provisions of 'Non-banking Financial Company– Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016', the company is required to follow the Accounting Standard and Guidance notes in so far as they are not inconsistent with any of the said directions. Chapter IV (Prudential Regulations) of the said directors which includes provisions about leverage Ratio, Asset Classification, Provisioning Requirements, Liquidity Risk Management, Credit Concentration and related disclosures in Balance Sheet are not applicable to the company.
- 16.3 Trade Receivables are for purchase of rental receivables and secured on rental assets. Related party receivables are from an LLP, on which interest is received by the company. No debts are due from directors or other officers or any of them either severally or jointly with any other person and private companies in which any director is a partner or a director or a member.
- 16.4 All loans given are in India and are to medium size business houses. There are no loans to any Government entities. Loans include Rs. 125.94 Lakhs (Previous year Rs. 129.02 Lakhs) as Inter Corporate Deposit (ICD). Impairment provisions have been made on loans classified as 'Other Loans' on which interest has not been regularly received.
- 16.5 Investments in Properties are partly paid to the extent of amount due and payable as per the terms of purchase and progress of construction. Rental Income derived and direct operating expenses pertaining to investment property during the year- Nil.  
All properties are in India. Fair value of investment property based upon estimate and market trends- as on 31-03-2020- Rs. 367, on 31-03-2019– Rs. 349, on 01-04-2018 Rs. 340 (Rs. in Lakhs).
- 16.6 Details of Equity Share Capital
- a. Rights, preferences and restrictions attached to equity shares:  
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. Right to receive dividend on equity shares may be approved by the Board / Annual General Meeting. The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013. Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.
- b. Shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts: NIL  
Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash, Aggregate number and class of shares allotted as fully paid up by way of bonus shares, and aggregate number and class of shares bought back during the period of five years immediately preceding the date as at which the Balance Sheet is prepared: NIL There was no change in the number of shares outstanding between 01/04/2018 and 31/03/2020.
- c. Shareholders holding more than 5% shares in the company, their number of shares and percentage of holding in total equity- held as on 01/04/2018, 31/03/2019 and 31/03/2020: Bombay Mercantile & Leasing Co Ltd- 10,25,398 shares (34.18%), Abhinandan Textiles And Traders LLP- 3,75,000 (12.50%) and Ashok Tulsyan (HUF)- 6,00,000 (20.00%).
- 16.7 An aggregate amount of Rs. 150 Lakhs has been classified as Special Reserve out of a total equity balance of Rs. 723.74 Lakhs as on 31-03-2020 as per RBI guidelines which provides for a transfer to such special reserve before declaration of dividend to the shareholders.
- 16.8 The company has earned all revenue from operations in India. All financial assets, including receivables, loans and investments, are held in India.
- 16.9 **Reconciliation of Effective Tax Rate with Income Tax Provision**  
Taxable income differs from profit before tax as reported in the Ind AS Statement of Profit & Loss because of differences in treatment of income and expenses in tax laws. Details in this respect are as follows:

Rs. in Lakhs

	Year ended 3/31/2020	Year ended 3/31/2019
Profit before tax as per Ind AS Profit & Loss	58.65	11.49
Effective Tax rate as applicable to the company for the year	15.60%	21.36%
Tax amount with effect rate	9.15	2.45
<b>Tax effect of :</b>		
Fair value Gain / Loss	(4.68)	0.71
Exempt Income	(0.14)	(0.50)
Disallowance on exempt Income	0.02	0.08
Disallowable Expenses/ (Non taxable gain)	0.44	(0.01)
Write offs allowable in Income tax		
Adjusted against impairment provision	(1.94)	-
Tax Provisions as per IT laws	2.85	2.73
Tax Provision Rounded-off	3.00	2.75

### 16.10 First time adoption of Ind AS- Disclosures, Reconciliation etc. (in terms of Ind AS 101.)

#### Overall Principle:

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2018 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. On the transition date provision for gain / loss on fair value of investment in quoted shares and mutual funds and impairment provisions on applicable investments and loans have been recognised through other equity. The company has continued with the carrying value of all other financial assets and liabilities including investment property, unlisted shares, receivables, sundry payables, advances received at the value recognised as on 01/04/2018 (transition date) as per previous GAAP and used that carrying value as deemed

costs as per provision of Ind AS 101 - first time adoption of Ind AS. The accounting policies that the Company used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP.

a. Reconciliation of Balance Sheet

Rs. in Lakhs

PARTICULARS	As at March 31, 2019			As at April 1, 2018		
	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>I ASSETS</b>	A	B	A+B=C	D	E	D+E=F
<b>1 Financial Assets</b>						
Cash and Cash Equivalents	5.35		5.35	2.03		2.03
Receivables	50.00		50.00	87.50		87.50
Loans	201.72	(12.47)	189.25	157.01	(12.50)	144.51
Investments	479.35	(44.23)	435.12	482.66	(40.07)	442.59
<b>2 Non Financial Assets</b>						
Current Tax Assets (Net)	2.17		2.17	6.08		6.08
Investment Property	303.78		303.78	296.14		296.14
<b>TOTAL ASSETS</b>	<b>1042.37</b>	<b>(56.70)</b>	<b>985.67</b>	<b>1031.42</b>	<b>(52.57)</b>	<b>978.85</b>
<b>II LIABILITIES AND EQUITY</b>						
<b>1 Liabilities</b>						
Financial Liabilities						
Trade Advances Received	12.50		12.50	12.50		12.50
Sundry Payables	0.17		0.17	0.27		0.27
Non Financial Liabilities						
Current Tax Liabilities	2.75		2.75	4.50		4.50
Contingent Provisions	2.50		2.50	2.50		2.50
<b>2 Equity</b>						
Equity Share Capital	300.00		300.00	300.00		300.00
Other Equity	724.45	(56.70)	667.75	711.65	(52.57)	659.08
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1042.37</b>	<b>(56.70)</b>	<b>985.67</b>	<b>1031.42</b>	<b>(52.57)</b>	<b>978.85</b>

b. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2019

Rs. in Lakhs

PARTICULARS	For the year ended March 31, 2019 (as per Previous GAAP)	Effect of transition to Ind AS	For the year ended March 31, 2019 (as per Ind AS)
	G	H	G+H=I
<b>I INCOME</b>			
<b>Revenue from Operations</b>			
Income from Operations	30.59		30.59
Other Operating Income	0.85	(4.16)	(3.31)
<b>Total Revenue from Operations</b>	<b>31.44</b>	<b>(4.16)</b>	<b>27.28</b>
Other Income	-		
<b>Total Income</b>	<b>31.44</b>	<b>(4.16)</b>	<b>27.28</b>
<b>II EXPENSES</b>			
Impairment Provisions on Loans	-	(0.03)	(0.03)
Employee Benefit Expense	4.67		4.67
Other Expenses	11.15		11.15
<b>Total Expenses</b>	<b>15.82</b>	<b>(0.03)</b>	<b>15.79</b>
<b>III Profit before Exceptional Items and Tax</b>	<b>15.62</b>	<b>(4.13)</b>	<b>11.49</b>
<b>IV Exceptional Items</b>	<b>-</b>		
<b>V Profit before Tax</b>	<b>15.62</b>	<b>(4.13)</b>	<b>11.49</b>
<b>VI Tax Expense</b>			
(1) Current tax	2.75		2.75
(2) Deferred tax	-		
(3) Income tax for earlier year	0.07		0.07
<b>Total Tax</b>	<b>2.82</b>		<b>2.82</b>
<b>VII Profit for the period</b>	<b>12.80</b>	<b>(4.13)</b>	<b>8.67</b>
<b>VIII Other Comprehensive Income</b>	<b>-</b>		
<b>Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)</b>	<b>12.80</b>	<b>(4.13)</b>	<b>8.67</b>
<b>X Earning per equity share:</b>			
(1) Basic	0.43		0.29
(2) Diluted	0.43		0.29

c. The figures of cash flow statement in Ind AS and GAAP accounts are the same.

**d. Reconciliation of Equity**

Rs. in Lakhs

	31-03-2019	31-03-2018
Equity as per Indian GAAP	1024.45	1011.65
Gain/(Loss) on fair value through Profit & Loss (MTM through FVTPL) (Transition amount as per Section 115 JB of Income Tax Act)	(4.23)	(0.07)
Impairment Provisions (ECL) on Financial Assets at Amortized Cost		
On Investments	(40.00)	(40.00)
On Loans	(12.47)	(12.50)
Equity as per Ind AS	967.75	959.08

**16.11 Related Party Transactions**

**Related Parties**

Directors- Mr. Ashok Tulsyan, Mrs. Sanju Tulsyan and Mrs. Sneha Tulsyan.

Independent Directors- Mr. S. Rathi and Mr. Mukesh Sarswat.

Key Managerial Personnel- CFO: Mr. V K Vora, Company Secretary & Compliance Officer: Mrs. Priyanka Kakhani and Mrs. Shweta Mehta.

Other Related Party- Sita Offers And Bourse Expertise LLP in which company and its non independent directors are partners

Transactions (Amounts are in Rs. Lakhs. Figures in brackets are for the previous year.)

Sitting fees paid Rs. 0.62 (0.40) paid to Independent Directors.

Remuneration to Key Managerial Personnel paid Rs. 4.58 (3.92).

Other Related Party- Trade Receivables due to the company: Rs. 181.18 (NIL), Balance as on 31-03-2020: Rs. 181.18 (NIL), Gain on

Derecognition of Investments: Rs. 9.60 (NIL) and Interest received: Rs. 3.94 (NIL).

Directors- Advances received by the company: Rs. 13.75 (6.90), Repayment made: Rs. 13.75 (6.90) and Balance as at year end: NIL (NIL)

**16.12 Financial Risk Management and Policies**

The Company's principal financial liabilities comprise trade and other payables which are quite minuscule. The Company's principal financial assets include investments, loans, trade receivables and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

**a. Market risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and prepayment risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

**i. Interest rate risk:**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates. The Company's exposure to the risk of changes in market interest rates is not significant as there are no borrowings.

**ii. Foreign currency risk:**

The Company does not enter into transactions in currency other than its functional currency and it is therefore not exposed to foreign currency risk.

**iii. Prepayment risk**

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected particularly in case of fixed rate loans when interest rates fall.

**b. Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given, investments and balances at bank.

The Company measures the expected credit loss of trade receivables / loans based on historical trends, industry practices and the business environment in which the entity operates. The figures before impairment are:

Rs. in Lakhs

Trade receivables and Loans due as at	31 March 2020	31 March 2019	1 April 2018
More than Six months	122.15	124.72	125.01
Others	346.31	127.00	119.50
Total	468.46	251.72	244.51

Credit risk on cash and cash equivalents is minimal as the Company's banks are safe and sound.

**c. Liquidity Risk:**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The company is not exposed to such risks as mentioned above.

**16.13 Categories of Financial Instruments**

Rs. in Lakhs

	Carrying amount as at 31 <sup>st</sup> March, 2020				Carrying amount as at 31 <sup>st</sup> March, 2019			
	FVTPL	FVTOCI	Amortised Cost	Total	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets</b>								
Cash on hand	-	-	0.97	0.97	-	-	1.33	1.33
Balance with Banks	-	-	10.13	10.13	-	-	4.02	4.02
Loans	-	-	169.71	169.71	-	-	189.25	189.25
Investments	33.35	-	188.05	221.40	51.87	-	383.26	435.13
Receivables	-	-	296.22	296.22	-	-	50.00	50.00
<b>Financial liabilities</b>								
Advances and Payables	-	-	12.73	12.73	-	-	12.67	12.67



**16.14 Fair value hierarchy**

Disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2020.

The following table provides the category-wise fair value measurement hierarchy of the Company's assets and liabilities.

Rs. in Lakhs

Financial assets	Level Category	As at 31-03-2020		As at 31-03-2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Receivable at Amortised Cost	Level 2	296.22	296.22	50.00	50.00
Loans at Amortised Cost	Level 3	169.71	169.71	189.25	189.25
Investments at FVTPL	Level 1	33.35	33.35	51.87	51.87
Investments at Amortised Cost	Level 3	188.05	225.00	383.26	453.00
Financial Liabilities	Level 3	12.73	12.73	12.67	12.67

16.15 Basic and Diluted earnings per share of Rs. 1.87 has been calculated by dividing the net profit after tax i.e. Rs.55.99 Lakhs for the year by the weighted average number of equity shares outstanding during the year i.e. 30 Lakhs shares. (Face value of Rs.10/- each)

16.16 The provisions of employees benefits are not applicable to the company for the period.

16.17 Amount due to Micro, Small & Medium Enterprises as per MSMED Act, 2006 as on 31-03-2020 and 31-03-2019- Nil.

16.18 The company has an associate - Bombay Mercantile & Leasing Company Limited (BML) an NBFC operating in Mumbai. The company holds 1205000 equity shares amounting to 48.98% of the equity shares capital of BML. The accounts of the associates have not been consolidated as the company (SEL) does not have significant influence over Bombay Mercantile and Leasing Company Ltd. (BML) in terms of provisions of Accounting Standard- Ind AS 28 as there is no- (a) Representation on the board of directors or equivalent governing body of the investee; (b) participation in policy making processes, including participation in decisions about dividends or other distributions ; (c) material transactions between the entity and its investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

16.19 Contingent liabilities and commitments (to the extent not provided for) - Uncalled liability on commitments for Investments in Properties under construction or development Rs. 12.48 Lakhs and as on 31-03-2019 is Rs. 101 Lakhs.

16.20 An amount of Rs. 2.5 lakhs has been provided as Contingent Provision against Standard Assets and has been shown as Contingent Provision in the balance sheet.

As per our report attached

For and on behalf of the Board

**For PATEL SHAH & JOSHI**

Firm Registration No. 107768W

**Chartered Accountants**

**A.Tulsyan**

**S. Tulsyan**

Director

Director

**Jayant I. Mehta**

Membership No: 42630

Partner

**Shweta Mehta**

**V K Vora**

Company Secretary

Chief Financial Officer

MUMBAI, 31st July, 2020

**ATTENDANCE SLIP**  
 (To be presented at the entrance of the meeting venue)

--

I / We hereby record my / our presence at the 37<sup>th</sup> Annual General Meeting of the Company held on Friday 18th December, 2020 at 415-416, Arun Chambers, Tardeo Road, Mumbai 400034.

Signature of the attending member / proxy .....

**ELECTRONIC VOTING PARTICULARS**

EVEN (E Voting Event Number)	USER ID	PASSWORD / PIN

Only a Member/Proxy-holder can attend the Meeting. For remote e-voting please read instructions in the notice of the 37<sup>th</sup> Annual General Meeting. Joint holders may obtain additional attendance slip at the meeting venue.

Name of the Member(s)		
Address		
E-mail Id:	Folio No. / Client ID	DP ID

I/We, being the Member(s) of Sita Enterprises Limited, holding ..... shares hereby appoint:

- (1) Name ..... Address .....  
 Email Id ..... Signature .....or failing him/her
- (2) Name ..... Address .....  
 Email Id ..... Signature .....or failing him/her
- (3) Name ..... Address .....  
 Email Id ..... Signature .....or failing him/her
- (4) Name ..... Address .....  
 Email Id ..... Signature .....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 37<sup>th</sup> Annual General Meeting of the company, to be held on Friday 18th December, 2020 at 9:00 AM at 415-416, Arun Chambers, Tardeo Road, Mumbai - 400 034 and at any adjournment thereof in respect of such resolution as are indicated below:

Serial Number	RESOLUTIONS	Option*	
		For	Against
1	To consider and adopt Audited financial statements, report of the Directors and Auditors.		
2	To appoint Ms. Sneha Tulsyan, who retires by rotation, as Director		



Signed this ..... day of ..... 2020

Signature of Member ..... Signature of Proxy-holder(s) .....

**Notes :** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

\* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.