

# **FIVE X TRADECOM LIMITED**

**(Formerly known as Five X Finance and Investments Limited)**

## **Annual Report: 2018-19**

**CONTENT**

<b>Particulars</b>	<b>Page No.</b>
Notice	04
Procedure and Instruction for E-voting	08
Board of Directors' Report	15
Annexure to Directors report	24
Management Discussion and Analysis Report	40
Auditor Certificate on Corporate Governance	44
Report on Corporate Governance	45
Independent Auditors' Report along with Annexures	60
Balance Sheet	68
Profit & Loss A/c	69
Cash Flow Statement	70
Notes forming part of Financial Statement	71
Attendance Slip	101
Proxy Form	103
Polling Paper	105
Route Maps	106

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mrs. Vijayshree Krishnat Desai Managing Director and CFO

#### Director

Mrs. Nikita Hardik Parekh Independent Director

Mr. Shanker Lal Pancholia Independent Director

Mr. Vishal Jagannath Sonawane Independent Director

#### Chief Financial Officer

Mrs. Nikita Hardik Parekh

#### Company Secretary

Ms. Kajol Tak Resigned w.e.f. 24/07/2019

Mrs. Anita Pillai Appointed w.e.f. 24/07/2019

### REGISTERED OFFICE ADDRESS

B1/C, Utkarsh Co-op Housing Society, M.A. Road,

Andheri West, Mumbai – 400058

Email Id: [www.fivexfinance.co](http://www.fivexfinance.co)

Website: [www.fivexfinance.com](http://www.fivexfinance.com)

CIN: L74110MH2010PLC201249

### STOCK EXCHANGES WHERE THE COMPANY IS LISTED.

BSE Limited.

### STATUTORY AUDITORS

M/s. KSPM & Associates, Chartered Accountants.

### REGISTRARS AND SHARE TRANSFER AGENTS

#### **Purva Sharegistry (I) Private Limited**

9 Shiv Shakti Industrial Estate,

J.R. Boricha Marg, Lower Parel East, Mumbai – 400 011.

Tel: 2301 2518 / 2301 6761.

[www.purvashare.com](http://www.purvashare.com)

E-mail: [support@purvashare.com](mailto:support@purvashare.com)

Fax No.: 2301 2517.

**NOTICE**

**NOTICE** is hereby given that the **10th Annual General Meeting of the Members of Five X Tradecom Limited** will be held on Monday, 30<sup>th</sup> September, 2019 at 11.00 A.M at Registered Office of the Company at B1/C, Utkarsh Co-op Housing Society, M.A. Road, Andheri West, Mumbai – 400058.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Vijayshree Krishnat Desai(DIN:08198477) who retires by rotation and being eligible, offers herself for re-appointment.
3. Appointment of Statutory Auditor to fill Casual Vacancy.

To consider and approve the appointment of Statutory Auditors of the Company to hold office for a period of Five years until the conclusion of the 30<sup>th</sup> Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. PMPK & Company, Chartered Accountants, Mumbai, with registration number 019681N, be and are hereby appointed as the Statutory Auditors of the Company due to completion of term as Statutory Auditors of the Company of M/s. KSPM & Associates, Chartered Accountants, Mumbai (ICAI Registration No. FRN 104723W), at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. PMPK & Company, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, to hold office of Statutory Auditor till the conclusion of the Fifteenth Annual General Meeting subject to ratification of appointment by the members in every Annual General Meeting.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such necessary acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**SPECIAL BUSINESS:**

4. Authorizing board of directors for borrowing monies and authorization limit to secure the borrowings under section 180(1)(c) and 180(1)(a) respectively, of the Companies Act, 2013.

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/ entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 500 crores (Rupees Five Hundred Crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.”

**“RESOLVED FURTHER THAT** subject to the provisions of Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/ or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the

undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs. 500 crores (Rupees Five Hundred Crores only) for the Company at any time”.

**“RESOLVED FURTHER THAT** any of the directors of the board be and are hereby authorized either severally or jointly to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

5. Regularization of Additional Director, Mr. Vinod Kacharu Mokal, by appointing him as Director of the Company:

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Ordinary Resolution**:

**“RESOLVED THAT** Mr. Vinod Kacharu Mokal, pursuant to the provisions of Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Mr. Vinod Kacharu Mokal (DIN: 08103074 ), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from July 24, 2019 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of his appointment as Additional Independent Director, i.e. July 24, 2019 and whose office shall not, henceforth, be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** to give effect to this resolution any of the Directors of the Board be and are hereby authorized either severally or jointly, to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

6. Consent of Members to approve limits for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of 100 Crores (Rupees One Hundred Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company

or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** any of the Directors of the Board be and are hereby authorized either severally or jointly, (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

**7. Approval to deliver document through a particular mode as may be sought by the member**

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Section 20 of the Companies Act, 2013 and the Rules made there under (hereinafter referred to as ‘the Act’), consent of the Company be and is hereby accorded to the Board of Directors of the Company to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address, or by such electronic or other mode prescribed under the Act and desired by Member(s), from time to time.”

**“RESOLVED FURTHER THAT** upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode.”

**“RESOLVED FURTHER THAT** any of the Directors of the Board be and are hereby authorized either severally or jointly, to do all such acts and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

**8. Approval Of Related Party Transaction**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) and Rules made there under and subject to such approvals, consents, sanctions and permissions as maybe necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with parties with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials services or property or appointment of such parties to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature during the financial year 2019-2020.”

**“RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to determine the actual sums to be involved in the transaction, to increase the value of the transactions and to finalize the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

By order of the Board of Directors  
For **Five X Tradecom Limited**

**Vijayshree Desai**  
**Managing Director**  
**DIN – 08198477**

**Regd. Off:**

B1/C, Utkarsh Co-op Housing Society, M.A. Road,  
Andheri West, Mumbai – 400058.

**CIN No. :** L74110MH2010PLC201249

**Date :** 14/08/2019

**Place :** Mumbai

**Notes:**

1. A member is entitled to attend and vote is entitled to appoint a proxy and vote on a poll instead of himself/herself and a proxy need not be a member of the Company. The instrument appointing a proxy in order to be valid must be duly filled in all respects and should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

A person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than ten percent of the total issued and paid up share capital of the Company. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable. A member holding more than 10% of the total issued and paid up share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
3. Shareholders are requested to forward their queries on the proposed resolutions and accounts for the financial year ended March 31, 2019 to the Company at least 10 days in advance, to enable the management to keep the required information available at Annual General Meeting.
4. Members are requested to:
  - i. Bring their copies of the annual report and the attendance slip duly completed and signed at the meeting.
  - ii. Quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
5. Bodies Corporate, who are the members of the Company, are requested to send in advance duly certified copy of Board Resolution authorizing their representative to attend and vote at the annual general meeting.
6. The Securities & Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding their shares in Physical Form can submit their PAN details to the share transfer agent (M/s. Purva Sharegistry (I) Private Limited) of the Company.

SEBI has amended relevant provisions of the Listing Regulations to debar listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs. All shareholders holding shares in physical form have been duly notified of the same by Postal mode of communication and have been provided with the requisite form for furnishing PAN and Bank details. Further, two subsequent reminders thereof, have also been sent to the shareholders.

Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat/physical form at: M/s. Purva Sharegistry (I) Private Limited at 9 Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel East, Mumbai – 400 011.

Pursuant to the provisions of Sections 101 and 136 of the Act read with 'The Companies (Accounts) Rules, 2014' electronic copy of the Annual Report for financial year 2018-2019 is being sent to those members whose email IDs are registered with their respective Depository Participant(s) (DPs), the Company or Purva Sharegistry (I) Private Limited. Unless any member has requested for a hard copy of the same. For members who have not registered their email address so far, are requested to promptly intimate the same to their respective DPs or to the Company/ Purva Sharegistry (I) Private Limited., as the case maybe. Physical copies of the Annual Report for the year 2018-2019 will be sent in the permitted mode in cases where the email addresses are not available with the Company.

7. Members may Electronic copy of the Notice convening the 10th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialized mode and whose email addresses are registered with their respective Depository Participants. For those members who have not registered their email address, physical copies of the said Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
8. Members may also note that the Notice of the 10th Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.fivexfinance.com](http://www.fivexfinance.com), which can be downloaded from the site. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours on all the working days except Saturdays.
9. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM 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 through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on Friday, 27<sup>th</sup> September, 2019 (9:00 am) and ends on Sunday, 29<sup>th</sup> September, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 20<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
  - V. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - VI. How do I vote electronically using NSDL e-Voting system?

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

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

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

**Details on Step 1 is mentioned below:**

**How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.



3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

#### 4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical, Your User ID details are given below:

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

#### 5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

#### 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

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

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csniteshchaudhary@gmail.com](mailto:csniteshchaudhary@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VIII. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Friday, 20<sup>th</sup> September, 2019.

IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 20<sup>th</sup> September, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

X. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date Friday, 20<sup>th</sup> September, 2019, only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- XII. Mr. Nitesh Chaudhary, Practicing Company Secretary, Mumbai (MEM NO. FCS-10010 & COP NO.16275) been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.fivexfinance.com](http://www.fivexfinance.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By order of the Board of Directors  
For **Five X Tradecom Limited**

**Vijayshree Desai**  
**Managing Director**  
**DIN – 08198477**

**Regd. Off:**

B1/C, Utkarsh Co-op Housing Society, M.A. Road,  
Andheri West, Mumbai – 400058.

**CIN No. :** L74110MH2010PLC201249

**Date :** 14/08/2019

**Place :** Mumbai

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, ANNEXURE TO AND FORMING PART OF THE NOTICE DATED 20TH AUGUST, 2019.**

**Item No. 2**

**Details of Directors Seeking Appointment / Re-Appointment In The Annual General Meeting.**

*(In pursuance to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings).*

<b>Name of the Director</b>	Mrs. Vijayshree Krishnat Desai
<b>Director Identification No.</b>	08198477
<b>Nationality</b>	Indian
<b>Date of Birth</b>	19/04/1987
<b>Qualifications</b>	Graduate
<b>Experience / expertise in functional field and brief resume</b>	She has vast experience in the industry in which the company operates
<b>No. of Shares held in the Company. (excl. Foreign, Private and Section 8 companies)</b>	NIL
<b>Directorship in other public companies</b>	NIL
<b>Chairman/member of the board committee of other public companies. (incl. only Audit Committee and Stakeholder Relationship Committee)</b>	Chairmanship – NIL Membership - 1(One)
<b>Date of appointment, meetings attended and remuneration.</b>	14/08/2018. Attended all the meetings conducted after her appointment.
<b>Relationship with other director, manager and KMP</b>	None

**Item No. 4**

Keeping in view the company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Hence it is proposed to approve the maximum borrowing limits upto Rs. 500 Crores for the Company.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company.

Further, Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting, which authorization is also proposed to be approved upto Rs. 500 Crores for the Company.

Hence, the Special Resolution at Item No.3 of the Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(a) & 180(1)(c) of the Act. The Directors recommend the Special Resolution as set out at Item No. 3 of the accompanying Notice, for members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

**Item No. 5****Details Of Directors Seeking Appointment / Re-Appointment In The Annual General Meeting.**

*(In pursuance to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings).*

<b>Name of the Director</b>	Vinod Kacharu Mokal
<b>Director Identification No.</b>	08103074
<b>Nationality</b>	Indian
<b>Date of Birth</b>	17/07/1977
<b>Qualifications</b>	Graduate
<b>Age</b>	42 years
<b>Date of first appointment</b>	24/07/2019
<b>Terms and Conditions of appointment / re-appointment</b>	As may be determined by the board of directors of the company.
<b>Experience / expertise in functional field and brief resume</b>	He has vast experience in the industry in which the company operates
<b>No. of Shares held in the Company. (excl. Foreign, Private and Section 8 companies)</b>	NIL
<b>Directorship in other public companies</b>	1(One)
<b>Tirupati Tyres Limited</b>	
<b>Chairman/member of the board committee of other public companies. (incl. only Audit Committee and Stakeholder Relationship Committee)</b>	Chairmanship – 1(One) Membership – 1(One)
<b>Meetings attended and remuneration.</b>	Attended all the meetings conducted after her appointment.
<b>Relationship with other director, manager and KMP</b>	None

**Item No. 6**

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act.

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.5 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act.

The Directors recommend the Special Resolution as set out at Item No. 5 of the accompanying Notice, for Members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

**Item No. 7**

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made there under, a document may be served on a Member of the Company by sending the same to him by post or by registered post or by speed post or by courier or by delivering it at his office or address, or by such electronic or other mode as may be prescribed. However, proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the company at its Annual General Meeting ('AGM').

Further, listed companies are required to send financial statements:

- a. by electronic mode to such members whose shareholding is in Demat form and whose E-mail IDs are registered with Depository for communication purposes;
- b. where Shareholding is held otherwise than by Demat form, to such members who have positively consented in writing for receiving by electronic mode; and
- c. by dispatch of physical copies through any recognized mode of delivery as specified under section 20 of the Act, in all other cases.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

**Item No. 8**

The Company, in the Ordinary course of its business enters into various transactions, contracts, arrangements which are at arm's length basis with various affiliates ["Related Party" as per the provisions of the Companies Act, 2013 (the Act) and Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations)].

The Transaction with related parties inter-alia includes sale, purchase, leasing of properties, availing or rendering of services, reimbursement of expenses, lease rent payments, lending or borrowing of monies (as may be permissible under the provisions of the Act), etc., which are entered into, in the ordinary course of business, are at arms' length basis and in the best interest of the Company.

Considering the future business projections, the Company envisages the transactions with related parties may exceed the materiality threshold as prescribed under the provisions of Companies Act, 2013, and the rules and regulations made thereunder. Thus, in terms of explanations of the SEBI Regulations, by way of abundant caution, approval of the shareholders is being sought.

The Board recommends the Special Resolutions as set out at Item No. 7 of the Notice for approval by the shareholders.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

By order of the Board of Directors  
For **Five X Tradecom Limited**

**Vijayshree Desai**  
Managing Director  
DIN – 08198477

**Regd. Off:**

B1/C, Utkarsh Co-op Housing Society, M.A. Road,  
Andheri West, Mumbai – 400058.

**CIN No. :** L74110MH2010PLC201249

**Date :** 14/08/2019

**Place :** Mumbai

## BOARD OF DIRECTORS' REPORT

To,  
The Members of,  
**Five X Tradecom Limited,**

Your Directors are pleased to submit the 10<sup>th</sup> Annual Report of the Company together with Standalone Audited Financial Statements along with Independent Auditor's Report for the financial year ended 31<sup>st</sup> March, 2019.

### Financial Results

The summary of the Company's Standalone financial performance for the financial year 2018-19 as compared to the previous financial year 2017-18 is given below:

(in Rs)

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
Revenue from Operations	11,708,940	18,548,221
Revenue from Other Income	796,149	208,780
Share of profits/losses in a partnership firms	-	-
Total Revenue	12,505,089	18,757,001
Total Expenses	13,129,159	15,844,925
Profit / (loss) before exceptional items and tax	(624,070)	2,912,076
Exceptional Items	-	-
Profit / (loss) before tax	(624,070)	2,912,076
<b>Tax expense:</b>		
(1) Current tax	-	-
(2) Deferred tax	-	1,625,743
(3) Excess/ Short Provision of Tax	-	-
Profit / (Loss) for the period from continuing operations	(624,070)	1,286,333
Profit/ (loss) from discontinued operations	-	-
Tax expense of discontinued operations	-	-
Profit/ (loss) from discontinued operations	-	-
Profit/ (loss) for the period	(624,070)	1,286,333
Other Comprehensive income	16,30,603	(5,43,448)
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	10,06,533	
<b>Earnings per equity share (for discontinued and continuing operation):</b>		
(1) Basic	(0.03)	0.06
(2) Diluted	(0.03)	0.06

\*Note : Figures of the financial year 2018-19 are re-grouped or re-classified.

**STATE OF COMPANY' AFFAIRS**

During the year, your Company has income of Rs. 12,505,089 /-including other income as compared to Rs.18,757,001 /- in the previous year. The Net Profit after tax was Rs (624,070) /- against the Net Profit of Rs. 1,286,333 /- in the previous year.

**DIVIDEND**

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended 31<sup>st</sup> March, 2019.

**AMOUNTS TO BE TRANSFERRED TO RESERVES**

During the year the Company has not proposed to transfer any amount to the General Reserve of the Company.

**DEPOSITS FROM PUBLIC**

Your Company has not accepted any deposits from the public falling within the ambit of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. Since the Company has not accepted any accepted any deposits during the financial year 2018-2019, there has been no non-compliance with the requirements of the Act.

**SUBSIDIARIES / JOINT VENTURES / ASSOCIATES**

During the year under review, there were no such companies which have become or ceased to be Subsidiaries/ Joint Venture/ Associate Companies.

**UNPAID / UNCLAIMED AMOUNTS TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the company is not required to transfer any amount to Investor Education and Protection Fund.

**SHARE CAPITAL**

The Company's paid up Equity Share capital continues to stand at Rs. 20,55,44,000/- as on March 31, 2019. During the year, the company has not issued any shares or convertible securities. The Company does not have any Scheme for issues of shares including sweat equity to the employees or Directors of the Company.

**CREDIT RATING**

The Company is not required to obtain any credit rating from any credit rating agencies.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The members of the Company's Board of Directors are eminent persons of proven competencies and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the company and devote adequate time to the meetings. The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience and gender which will help the Company to retain its competitive advantage.

As on March 31, 2019, the Company has 4 Directors consisting of 1 Non- Independent Directors (Managing Director), 3 Independent Directors.

During the year under review, the following changes occurred in the position of the Directors/KMPs of the Company.



Sr. No	Name of the Directors / KMPs	Date of Event	Details of Event
1	Ms. Prajna Naik	16/04/2018	Appointment as Company Secretary & Compliance Officer of the Company.
2	Ms. Prajna Naik	11/05/2018	Resignation as Company Secretary & Compliance Officer of the Company.
3	Mrs. Tanu Giriraj Agarwal	14/08/2018	Resignation as Director of the Company.
4	Mr. Zubin Jasi Pardiwala	14/08/2018	Resignation as Independent Director of the Company.
5	Mr. Amit Gulecha	14/08/2018	Resignation as Managing Director of the Company.
6	Mr. Hardikkumar Bharatbhai Kabariya	14/08/2018	Resignation as Independent Director of the Company.
7	Mr. Anubhav Srinath Maury	14/08/2018	Resignation as Independent Director of the Company.
8	Mr. Vinod Laxman Prabhu	14/08/2018	Resignation as Chief Financial Officer of the Company.
9	Mrs. Nikita Parekh	14/08/2018	Appointment as Non – Executive Independent Director of the Company.
10	Mr. Vishal Sonawane	14/08/2018	Appointment as Non – Executive Independent Director of the Company.
11	Mr. Shanker Lal Pancholia	14/08/2018	Appointment as Non – Executive Independent Director of the Company.
12	Mrs. Vijayshree Desa	14/08/2018	Appointment as Managing Director of the Company.
13	Mr. Vinod Kacharu Mokal	29/07/2018	Appointment as Additional Independent Director of the Company.

#### **POLICIES ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The policies of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is appended as **Annexure C** to this Report. The web address where the policy is uploaded is [www.fivexfinance.com](http://www.fivexfinance.com)

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR OTHERS**

There are no significant and material orders passed by the regulators or others.

#### **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitment affecting the financial position of the Company upto the date of approval of this report.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory Auditors of the Company as well as the Internal Auditors of the Company and cover all offices and key business areas.

#### **BOARD COMMITTEES**

Your Company has following Committees of Board, viz,

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in Report on Corporate Governance' forming part of the Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made there under, the Company is not required to constitute CSR Committee, neither the company is required to comply with any of the provisions of Section 135 of the Companies Act, 2013 and Rules made there under.

### **Directors' Responsibility Statement**

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures are made;
- appropriate accounting policies have been selected and applied consistently and estimates and judgments made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- the annual accounts have been prepared on a going concern basis; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS**

#### **Statutory Auditors**

The Board of Directors of the Company based on the recommendation of the Audit committee, has recommended appointment of M/s. PMPK & Company, Chartered Accountants (Firm Registration No. 019681N) as Statutory Auditors of the Company, subject to members approval, to fill the casual vacancy due to resignation of M/s. SSRV & Associates, Chartered Accountants, as Statutory Auditors of the Company, who shall hold office for a period of 5 years (Five years), from the conclusion of this Annual general meeting until the conclusion of the Nineteenth Annual General Meeting.

They have furnished a certificate, confirming that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013 and they are not disqualified to be appointed as statutory auditors in terms of section 143 of the Act.

The members are therefore requested to appoint M/s. PMPK & Company, Chartered Accountants (Firm Registration No. 019681N) as Statutory Auditors of the Company for a term of five years from the conclusion of this Annual General meeting till the conclusion of Nineteenth Annual General Meeting.

#### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Nitesh Chaudhary, Practicing Company Secretary, Mumbai (MEM NO. FCS-10010 & COP NO.16275) to undertake the Secretarial Audit of the Company for the financial year 2018-2019. The Report of the Secretarial Auditor is annexed herewith as **Annexure C** and forms an integral part of this Report.

### Internal Auditor

The Company has appointed M/s A.M. Gohel & Co., Chartered Accountants as an Internal Auditor F.Y 2018-19.

### Explanation or comments on qualifications, reservations or adverse remarks made by auditors and the practicing Company secretary in their reports

The Statutory Auditors' Report to the members on the Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2019 does contains qualifications, reservations or adverse remarks on which management have given their explanations which are as follows :

1. As per provisions of Section 45-IA of RBI Act 1934, a Company is classified under various categories of Finance Company if a Company's Financial assets are more than 50% of the total assets of the Company and Gross Income from Financial Activities constitute more than 50% of Gross Income. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as both the Financial Assets exceeds 50% of total assets as well as Income from Financing activities exceeds 50% of Gross Income during the year. **Here, the management of the company would like to clarify that the company is aware of the same and the company is finding out various ways and means to increase revenue from operations and other operating income in order to increase its income.**
2. The Company did not have an appropriate internal control system for granting Loans, Demand and other loans given are governed by the Board Policies. Considering the close monitoring of Board no appraisal, renewal, Policies, Procedure, Committee or documents have been prescribed and executed. **The company has appointed Internal Auditors for the same who will be guiding the company to comply with the same.**
3. The Company's internal control system is not commensurate to the size and scale of operation over purchase and sale of shares and inventory and for expenses incurred. **The company has appointed Internal Auditors for the same who will be guiding the company to comply with the same.**

### The Secretarial Auditors' Report to the members of the Company for the financial year ended 31<sup>st</sup> March, 2019 does contains qualifications, reservations or adverse remarks on which management have given their explanations which are as follows :

1. The Company has not been registered under Maharashtra State Tax on professions, trades, callings and Employments Act, 1975. However professional tax has been deducted from the salaries of staffs and employees and no amount deposited till reporting date. **The Company is in search of an appropriate professional to whom company shall outsource this work to comply with the same.**
2. As per provisions of section 45-IA of RBI Act 1934, a company is classified under various categories of Finance company if the company's financial assets are more than 50% of the total assets of the company and Gross Income from Financial activities constitute more than 50% of the gross income. Accordingly, the company is required to get registered with provision of RBI as A NBFC company i.e. Finance Company i.e. company is required to obtain registration from RBI under section 45-IA of RBI Act, 1934. **Here, the management of the company would like to clarify that the company is aware of the same and the company is finding out various ways and means to increase revenue from operations and other operating income in order to increase its income.**
3. The Whole Company Secretary of the company has not signed/certified the Annual Return (MGT-7) of the company for F.Y. 2017-18 as per Section 92 of Companies Act, 2013. **The Company will make sure that the company secretary of the company will sign/certify the annual return of the company from the current financial year.**
4. The Company has not disseminated to the exchange the newspaper publications made by the Company during the year as required under regulation 47(1) and (3) of SEBI (LODR) Regulation, 2015. **Here, the Management would like to clarify that the company has made publications in the newspapers as required under the provisions of Regulation 47 of SEBI (LODR) Regulations, 2015. Further, newspaper publications are not mandatorily required to be disseminated on the website of the Stock Exchange as per the provisions of Regulation 47 of**

**SEBI (LODR) Regulations, 2015. Hence, keeping in view the provisions of SEBI (LODR) Regulations, 2015, the company has not violated any of the provisions of the SEBI (LODR) Regulations, 2015, as mentioned by the Secretarial Auditor's.**

#### **AUDIT COMMITTEE**

The Company in compliance with Section 177 of the Companies Act, 2013, read with applicable provisions thereof. Further, the Company is not required to comply with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013.

#### **PARTICULARS OF CONTRACT OR ARRANGEMENT RELATED PARTIES.**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the company has formulated a Policy on Related Party Transactions as approved by the Board of Directors which is also available on the Company's website and the same is considered for the purpose of identification and monitoring Related Party transactions.

During the year under review, the Company has not enter into any contracts or arrangement with its related parties referred to in Section 188(1) of the Companies Act, 2013. Disclosures in Form AOC-2 pertaining to material contract and arrangement in terms of Section 134(3)(h) of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules 2014, is included in this report as "**ANNEXURE-B**" and forms an integral part of this report.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act, and Rules 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed to this Report and marked as **Annexure F**.

Details of employee remuneration as required under provisions of Section 197 of the Act, and Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this report. As per the provisions of section 136 of the Act, the report and financial statements are being sent to the members of your Company and others entitled thereto, excluding the statement on particulars of employees. Copies of said statement are available at the registered office of the Company during the designated working hours from 21 days before the Annual General Meeting till date of the Annual General Meeting. Any member interested in obtaining such details may also write to the corporate secretarial department at the registered office of the company.

#### **BOARD EVALUATION**

Your Company has devised a Policy for determining qualifications, positive attributes of Directors, performance evaluation of Independent Directors, Board, Committees and other individual Directors which also include criteria for performance evaluation of the non-executive directors and executive directors. While appointing and re-appointing Independent Directors, the Board ensures that there is appropriate balance of skills, experience and knowledge to enable the Board to discharge its functions and duties effectively.

In accordance with the provisions of Companies Act, 2013 and Regulation 17(10) of SEBI(LODR) Regulations, 2015, the evaluation process for the performance of the Board, its Committees and individual Directors was carried out internally. The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

#### **FAMILIARIZATION OF INDEPENDENT DIRECTORS**

The Company familiarizes its Directors including independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through on various programs.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 forms part of the Notes to the Financial Statements provided in this Annual Report.

## **RISK MANAGEMENT SYSTEM**

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor & take precautionary measures in respect of the events that may pose risks for the business. The Board & Audit Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis by keeping Risk Management Report before the Board & Audit Committee periodically.

## **REPORT ON CORPORATE GOVERNANCE**

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

## **MANAGEMENT DISCUSSION & ANALYSIS**

A detailed review of the growth of the company, operations, performance vis-a-vis industry growth and outlook of the Company and its business is given in the Management Discussion and Analysis appearing as **Annexure E** to this Report and it also covers economic factors that impacted the growth of the business during the year under review.

## **NUMBER OF BOARD MEETINGS**

The Board meets at regular intervals to discuss and decide on the Company's policies and strategy apart from other Board matters. During the year the board of directors met 9 (Nine) times.

The intervening gap between the two board meetings did not exceed 120 days.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as Annexure A. The web address where the extract of annual return is uploaded is [www.fivexfinance.com](http://www.fivexfinance.com)

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

### **a. Conservation Of Energy**

The details pertaining to Conservation of Energy has been annexed herewith and marked as Annexure D.

### **b. Technology Absorption**

The details pertaining to Technology Absorption has been annexed herewith and marked as Annexure D.

### **c. Foreign Exchange Earnings And Outgo**

During the financial year 2018-19, the company has not earned any Foreign Exchange in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows.

**LISTING OF SHARES OF THE COMPANY**

The Equity Shares of your Company continue to remain listed on BSE Limited. The Company has paid the listing fees as payable to the BSE Ltd. for the financial year 2019-2020.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The details of the said Policy are included in the Report on Corporate Governance which forms part of the Annual Report.

During the financial year 2018-19, no cases under this mechanism were reported in the Company.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS.**

During the Financial Year 2018-19, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**REPORTING OF FRAUD**

The Auditors have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013, other than those which are reportable to the Central Government.

**MAINTENANCE OF COST RECORDS**

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, and accordingly such accounts are not made and maintained by the Company.

**POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has framed policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2018-19, no cases in the nature of sexual harassment were reported at our workplace of the Company. Further, the company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

The Chief Executive Officer and Chief Financial Officer Certification as required under regulation 17(8) of the Listing Regulation and Chief Executive Officer declaration about the Code of Conduct is Annexed to this Report marked as **Annexure G**

**GENERAL DISCLOSURE**

Your Directors state no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Issue of Equity Shares (including Sweat Equity Shares) to employees of your Company, under any scheme.
3. Your Company has not resorted to any buy back of its Equity Shares during the year under review.
4. Your Company does not have subsidiaries. Hence neither the Managing Director nor any other Directors of your Company received any remuneration or commission during the year, from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operations in future.

**CAUTION STATEMENT**

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

**ACKNOWLEDGEMENTS**

The Directors express their sincere gratitude to the BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, National Securities Depository Limited, other government and regulatory authorities, financial institutions and the bankers of the Company for their ongoing support. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company resulting in satisfactory performance during the year.

**Mrs. Vijayshree Krishnat Desai**  
**Chairman and Managing Director**  
**DIN : 08198477.**

**Place** : Mumbai ,  
**Date** : 14/08/2019.



**ANNEXURES TO DIRECTORS' REPORT**

**Annexure – A  
Form No. MGT – 9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2018  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	L25111MH1988PLC285197
ii	Registration Date	24 <sup>th</sup> March, 2010
iii	Name of the Company	Five X Tradecom Limited
iv	Category/Sub-category of the Company	Company limited by Shares / Indian non-govt. Company
v	Address of the Registered office & contact details	Office No. 207/C, Shivai Ind. Estate, Bldg No. 89, Andheri Kurla Road, Sakinaka, Andheri East – 400072.
vi	Whether listed Company	Yes (Listed on BSE Limited)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Skyline Financial Services Private Limited</b> D-153A, First Floor, Okhla Industrial Area, Phase-1, New Delhi – 110020. Tel: +91- 11- 26812682 – 83 , 64732681 – 88. Fax No.: Not Applicable. Website: www.skylinerta.com E-mail: info@skylinerta.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

SN	Name & Description of main products/services	NIC Code of the Product /service	% of total turnover of the Company
1	Share Trading, Finance & Investments	9971	NIL
2	Commodity Trading	9962	NIL

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

SN	Name of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
-	-	-	-	-	-



## IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)

## Category of Shareholders as on 31.03.2019:

Category of Shareholders	No. Of Shares held at the beginning of the year				No. Of Shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual / HUF	30811	-	30811	0.15	Nil	Nil	Nil	Nil	(0.15)
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	1025710	-	1025710	4.99	Nil	Nil	Nil	Nil	(4.99)
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A)(1)	1056521	-	1056521	5.14	Nil	Nil	Nil	Nil	Nil
<b>2. Foreign</b>									
a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i. Indian	3570937	-	3570937	17.37	3720129	-	3720129	18.10	0.73
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**FIVE X TRADECOM LIMITED**

Category of Shareholders		No. Of Shares held at the beginning of the year				No. Of Shares held at the end of the year				% Change
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
i.	Individual shareholders holding nominal share capital upto Rs. 2lakh	7482097	-	7482097	36.40	7316521	-	7316521	35.60	(0.80)
ii.	Individual shareholders holding nominal share capital in excess of Rs. 2lakh	7628680	-	7628680	37.11	8673276	-	8673276	42.20	5.09
c)	Others (Corporate Body)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Foreign National	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Clearing Members	138288	-	157795	0.67	134813	-	134813	0.66	(0.01)
	Non-Resident Indians	136236	-	136236	0.66	144308	-	144308	0.70	0.04
	Independent Directors and their Relatives	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	OCB	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Employees Welfare Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	HUF	541641	-	541641	2.64	565353	-	565353	2.75	0.11
	<b>Sub-Total (B)(2)</b>	<b>19497879</b>	<b>-</b>	<b>19497879</b>	<b>94.86</b>					<b>Nil</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>19497879</b>	<b>-</b>	<b>19497879</b>	<b>94.86</b>	<b>20554400</b>	<b>-</b>	<b>20554400</b>	<b>100</b>	<b>5.14</b>
	<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Grand Total (A+B+C)</b>	<b>20554400</b>	<b>-</b>	<b>20554400</b>	<b>100</b>	<b>20554400</b>	<b>-</b>	<b>20554400</b>	<b>100</b>	<b>-</b>

**(ii) SHARE HOLDING OF PROMOTERS:**

SN	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of shares pledged encumbered to total Shares	
1	Tanu Giriraj Agarwal	28800	0.14	-	-	-	-	(0.14)
2	Girraj Kishor Agarwal	2011	0.01	-	-	-	-	(0.01)
3	Rockon Enterprises Limited	811680	3.95	-	-	-	-	(3.95)
4	Handful Investrade Private Limited	131550	0.64	-	-	-	-	(0.64)
5	Tilak Ventures Limited	64000	0.31	-	-	-	-	(0.31)
6	Axon Ventures Limited	18480	0.09	-	-	-	-	(0.09)
	<b>Total</b>	<b>1056521</b>	<b>5.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(iii) CHANGE IN PROMOTERS' SHARE HOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):**

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>Tanu Giriraj Agarwal</b>				
	At the beginning of the year	28800	0.14	28800	0.14
-	Date wise increase / decrease in promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / swear equity etc)	-	-	(28800)	(0.14)
	<b>At the End of the year</b>	<b>28800</b>	<b>0.14</b>	<b>NIL</b>	<b>NIL</b>
<b>2.</b>	<b>Girraj Kishor Agarwal</b>				
	At the beginning of the year	2011	0.01	2011	0.01
	Date wise increase / decrease in promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / swear equity etc)	-	-	(2011)	(0.01)
	<b>At the End of the year</b>	<b>2011</b>	<b>0.01</b>	<b>NIL</b>	<b>NIL</b>
<b>3.</b>	<b>Rockon Enterprises Limited</b>				
	At the beginning of the year	811680	3.95	811680	3.95
	Date wise increase / decrease in promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / swear equity etc)	-	-	(811680)	(3.95)
	<b>At the End of the year</b>	<b>811680</b>	<b>3.95</b>	<b>NIL</b>	<b>NIL</b>
<b>4.</b>	<b>Handful Investrade Private Limited</b>				
	At the beginning of the year	131550	0.64	131550	0.64
	Date wise increase / decrease in promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / swear equity etc)	-	-	(131550)	(0.64)
	<b>At the End of the year</b>	<b>131550</b>	<b>0.64</b>	<b>NIL</b>	<b>NIL</b>
<b>5.</b>	<b>Tilak Ventures Limited</b>				
	At the beginning of the year	64000	0.31	64000	0.31
	Date wise increase / decrease in promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / swear equity etc)	-	-	(64000)	(0.31)
	<b>At the End of the year</b>	<b>64000</b>	<b>0.31</b>	<b>NIL</b>	<b>NIL</b>
<b>6.</b>	<b>Axon Ventures Limited</b>				
	At the beginning of the year	18480	0.09	18480	0.09
	Date wise increase / decrease in promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / swear equity etc)	-	-	(18480)	(0.09)
	<b>At the End of the year</b>	<b>18480</b>	<b>0.09</b>	<b>NIL</b>	<b>NIL</b>

\*For the financial year ended as on 31st March, 2019, the company does not have any promoters.

**(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS ADRS:**

SN	Name of the Shareholder	Shareholding at the beginning of the Year		Change in Shareholding during the Year		Shareholding at the end of the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Iqms Software Limited	-	-	1616057	7.86	1616057	7.86
2	Artlink Vintrade Limited	-	-	1132090	5.51	1132090	5.51
3	Praveen Kumar	-	-	896614	4.36	896614	4.36
4	Rajeev Viswambharan Suseela	808000	3.93	-	-	808000	3.93
5	Prahlad Rai Inani	367440	1.79	-	-	367440	1.79
6	Dileep V . S .	317866	1.55	-	-	317866	1.55
7	Moryo Industries Limited	303690	1.48	-	-	303690	1.48
8	Raj Kumar Jain	714340	3.48	(414340)	(2.02)	300000	1.46
9	Nitin Tyagi	257230	1.25	-	-	257230	1.25
10	Manmohan Sahu	400000	1.95	(161678)	(0.79)	238322	1.16

**(v) SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

SN	Name of the Shareholder	Shareholding at the beginning of the Year		Change in Shareholding during the Year		Shareholding at the end of the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mrs. Tanu Giriraj Agarwal	28800	0.14	(28800)	(0.14)	NIL	NIL
2	Mr. Girraj Kishor Agarwal	2011	0.01	(2011)	(0.01)	NIL	NIL
3	Mrs. Vijayshree Krishnat Desai	NIL	NIL	NIL	NIL	NIL	NIL
4	Mr. Shanker Lal Pancholia	NIL	NIL	NIL	NIL	NIL	NIL
5	Mrs. Nikita Parekh	NIL	NIL	NIL	NIL	NIL	NIL
6	Mr. Vishal Sonawane	NIL	NIL	NIL	NIL	NIL	NIL
7	Ms. Kajol Tak	NIL	NIL	NIL	NIL	NIL	NIL

**(vi) INDEBTEDNESS:**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Additions	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mrs. Vijayshree Krishnat Desai* (Managing Director)		
1	Gross salary	21,000		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify -	-	-	-
	<b>Total (A)</b>			
	Ceiling as per the Act	NA	NA	NA

**B. Remuneration to Other Directors:**

SN	Particulars of Remuneration				Total Amount
		Mrs. Nikita Parekh*	Mr. Shanker Lal Pancholia*	Mr. Vishal Sonawane*	
1	<b>Independent Directors</b>				
	Fee for attending Board committee meetings	75,000	-	8,000	83,000
	Commission	-	-	-	-
	Others (Fee for attending Independent Directors meeting)	-	-	-	-
	<b>Total (1)</b>	<b>75,000</b>	<b>-</b>	<b>8,000</b>	<b>83,000</b>
2	<b>Other Non-Executive Directors</b>	-	-	-	-
	Fee for attending Board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Managerial Remuneration</b>	<b>75,000</b>	<b>-</b>	<b>8,000</b>	<b>83,000</b>

\*Mrs. Vijayshree Krishnat Desai was appointed as Managing Director of the Company w.e.f. 14/08/2018.

\*Mrs. Nikita Parekh was appointed as Independent Director of the Company w.e.f. 14/08/2018.

\*Mr. Shanker Lal Pancholia was appointed as Independent Director of the Company w.e.f. 14/08/2018.

\*Mr. Vishal Sonawane was appointed as Independent Director of the Company w.e.f. 14/08/2018.

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

SN	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total Amount
		Ms. Yogita Shivalia	Mrs. Vijayshree Krishnat Desai	
1	Gross salary	54,563	-	54,563
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>54,563</b>	<b>-</b>	<b>54,563</b>

**PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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

**Mrs. Vijayshree Krishnat Desai**  
**Chairman and Managing Director**  
**DIN: 08198477.**

**Place** : Mumbai  
**Date** : 14/08/2019

**ANNEXURE B**

**NOMINATION AND REMUNERATION POLICY  
OF  
FIVE X TRADECOM LIMITED**

**1. Purpose and Objectives :**

Human Resource is the most valuable asset of an Organization. The Remuneration and Nomination Committee has been established by the Board. This policy has been formulated in order to pay equitable remuneration to the officers of the Company. Its primary function is to assist the Board in fulfilling its responsibilities in relation to compensation of the Company's officers and in the search for and evaluation of potential new Directors and by ensuring that the size, composition and performance of the Board is appropriate for the scope of the Company's activities. The Committee has overall responsibility for evaluating and recommending to the Board remuneration policy and practice which is consistent with and supports the strategic direction and objectives of the Company.

In performing its duties, the Nomination and Remuneration Committee shall have direct access to the resources of the Company as it may reasonably require and shall seek to maintain effective working relationships with management.

**2. Purpose and Objectives :**

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non Executive) and recommend to the Board policies relating to the remuneration of Directors, Key Managerial Personnel.
- b. To formulate the criteria for evaluation of performance of all the Directors on the Board;
- c. To devise a policy on Board diversity;
- d. The policy also addresses Committee member qualification, Committee member appointment and removal, Committee structure and operation and committee reporting to the Board;

**3. Membership and Meetings :**

The following are the membership and meeting requirements of the Nomination and Remuneration Committee (the 'Committee'):

- a. The Committee should consist of three or more non executive directors out of which at least one half shall be independent director.
- b. The member Directors shall have the right to attend all meetings of the Committee at their own election.
- c. Election and removal of members by the Board shall be by majority vote.
- d. The duties and responsibilities of the members of the Committee are in addition to those as a member of the Board of Directors.
- e. The Committee shall meet as per the requirement.
- f. The Committee may invite the Chief Executive Officer/Managing Director (or equivalent), Chief Financial Officer (or equivalent) and other members of management to attend each meeting (though not necessarily for all the agenda). The Board shall appoint an executive as Secretary to the Committee.

The Secretary, in conjunction with the Chairperson, is responsible for setting the meeting schedule for the year, circulating the meeting agenda and supporting material to all committee members and management representatives



prior to each meeting. Normal committee distribution requirements for minutes, agendas and supporting material will apply.

#### **4. Nomination and Remuneration Committee Responsibilities Nomination :**

##### **NOMINATION**

The responsibilities of the Nomination and Remuneration Committee:

##### **(a) Review and make recommendations to the Board on the :**

- Appointment and Removal of Directors;
- Directors Development and Succession Planning;
- Size, Skills and Composition of the Board.

##### **(b) Evaluate and make recommendations to the Board regarding the Board's performance.**

##### **REMUNERATION**

##### **(a) Review the competitiveness of the Company's executive compensation programs to ensure that::**

- the Company is able to attract and retain suitably qualified executives;
- executives are motivated to achieve the Company's business objectives; and
- the interests of key employees are aligned with the long term interests of shareholders.

##### **(b) Ensure that the company develops and implements appropriate programs in the following areas:**

- Recruitment, retention and termination of employment;
- Senior management and staff development and succession planning;
- Performance appraisal of employees;
- Remuneration of employees including Non-executive Directors and Executive Directors
- Short and long term incentive plans for employees;
- Employee superannuation arrangements

##### **(c) Make recommendations to the Board in relation to:**

- the annual performance targets for Executive Directors and senior executives reporting to the CEO/ MD;
- the assessment of the performance of Executive Directors and senior executives reporting to the CEO/MD;
- the annual remuneration of Executive Directors and senior executives reporting to the CEO/MD;
- the annual remuneration assumptions and budget for the organization.

##### **(d) Review and make recommendations to the Board regarding :**

- Non-executive Directors fees;
- Renewal/termination of senior executive service contracts;
- Directors & Officers Liability insurance cover.

##### **GENERAL**

- Committee meetings and report the Committee's actions to the Board with appropriate recommendations.
- Provide a statement for inclusion in the annual report that describes the Committee's Composition and how its responsibilities were discharged

- Have the authority to conduct or authorize investigations into any matters within the Committee's scope of responsibility. The Committee has the ability to retain independent counsel, professional advisors, or others to assist it in the conduct of any investigation.
- Review and update the Committee's Charter for approval by the Board.
- Perform such other functions as assigned by the Board.

**COMMITTEE PERFORMANCE**

The Board will from time to time evaluate the performance of the Committee to determine whether it is functioning effectively by reference to its Charter and to current best practice.

## ANNEXURE C

FORM NO. MR-3  
SECRETARIAL AUDIT REPORTFor the Financial Year Ended 31<sup>st</sup> March, 2019[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,  
**M/s FIVE X TRADECOM LIMITED,**  
Office No. 207/C, Shivai Ind. Estate,  
Bldg No. 89, Andheri Kurla Road, Sakinaka,  
Andheri East Mumbai 400072

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. FIVE X TRADECOM LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and return is filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, has complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers; minutes' books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 - (Not applicable to the Company during the Audit Period);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -(Not applicable to the Company during the Audit period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (vi) Having regards to the compliance system prevailing in the Company, information representation provided by management and on examination of the relevant documents and records in pursuance thereof on test-check basis, the following laws are also applicable on company;
- i. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
  - ii. The Equal Remuneration Act, 1976;

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

- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. The Company has not been registered under Maharashtra State Tax on professions, trades, callings and Employments Act, 1975. However professional tax has been deducted from the salaries of staffs and employees and no amount deposited till reporting date;
2. As per provisions of section 45-IA of RBI Act 1934, a company is classified under various categories of Finance company if the company's financial assets are more than 50% of the total assets of the company and Gross Income from Financial activities constitute more than 50% of the gross income. Accordingly, the company is required to get registered with provision of RBI as A NBFC company i.e. Finance Company i.e. company is required to obtain registration from RBI under section 45-IA of RBI Act, 1934
3. The Whole Company Secretary of the company has not signed/certified the Annual Return(MGT-7) of the company for F.Y. 2017-18 as per Section 92 of Companies Act, 2013;
4. The Company has not disseminated to the exchange the newspaper publications made by the Company during the year as required under regulation 47(1) and (3) of SEBI (LODR) Regulation, 2015.

**I further report that:**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes made 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.
- (ii) Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- (iii) Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.
- (iv) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (v) 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.

**I further Inform/report that** during the year under review, the following events or actions had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. During the review company has done promoters re-classification and the company has received In-principal approval from BSE Ltd. for the same.

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

**For CS Nitesh Chaudhary & Co**

**Sd/-  
Nitesh Chaudhary  
Practising Company Secretary  
Membership No FCS-10010  
COP No. 16275**

**Place** : Mumbai  
**Dated** : 9<sup>th</sup> August, 2019

**Annexure to the Secretarial Audit Report**

To,  
The Members,  
**FIVE X TRADECOM LIMITED,**  
Office No. 207/C, Shivai Ind. Estate,  
Bldg No. 89, Andheri Kurla Road, Sakinaka,  
Andheri East Mumbai 400072

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

**Disclaimer**

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

**For CS Nitesh Chaudhary & Co**

**Sd/-  
NiteshChaudhary  
Practising Company Secretary  
Membership No FCS-10010  
COP No. 16275**

**Place** : Mumbai  
**Dated** : 9<sup>th</sup> August, 2019

## ANNEXURE D

**PART-A : CONSERVATION OF ENERGY**

1	The Steps taken or impact on conservation of energy :	NIL
2	The Steps taken by the Company for utilizing alternate sources of energy :	NIL
3	The capital investment on energy conservation equipment :	NIL

**PART-B : TECHNOLOGY ABSORPTION**

1	The efforts made towards technology absorption	NIL
2	The benefits derived like product improvement, cost reduction, product development or import substitution.	NIL
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year :	
	a). The details of technology imported :	NIL
	b). The year of import :	NIL
	c). Whether the technology been fully absorbed :	NIL
	d). If not fully absorbed, areas where absorption has not taken place, and the reason thereof :	NIL
4	The expenditure incurred on Research and Development	NIL

**PART-C : FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	FY 2018-2019	FY 2017-2018
Earning in Foreign Exchange	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL

## ANNEXURE E

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2018 as stipulated under Regulation 34 (2) (e) read with Schedule V of SEBI (LODR) Regulations 2015 have been included in consonance with the Code of Corporate Governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The operational performance and future outlook of the business has been reviewed by the management based on current resources and future development of the Company.

#### **Economic Overview:**

The operation of the company during majority of the year was mainly centered in Textiles Industry, Finance Business and Share Trading. The company was dealing in Lending, Advancing and Depositing Money in Industrial and other Undertakings and Businesses and to deal in acquiring, selling, subscribing, transferring, holding, disposing, and otherwise dealing and investing in shares, securities, movables, etc.

#### **Segment-wise Performance:**

The Company operates in two reportable segments i.e. Commodity Business and Finance & Share Trading Activities. The Business Segments has been identified as separate segment in accordance with Accounting Standard 17 'Segment Reporting'.

#### **Risk & Concerns:**

Risk is an inherent part of any business. There are various types of risks that threaten the existence of a company like Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Strategic Risk, Regulation Risk etc. Your Company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns. In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization with increasing integration of markets, newer and more complex products and transactions and an increasingly stringent regulatory framework has exposed organizations to and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success.

#### **Risk Management:**

Risk Management is an important business aspect in the current economic environment and its objective is to identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the business.

The Company has a robust Risk Management Policy and Procedure in place for effective identification and monitoring of risks and implementation of mitigation plans. The Risk Management Committee reviews and monitors the identified risks and mitigation plans at regular interval.

The Audit Committee has been periodically reviewing the risk profile of the Company and evaluating the adherence by the branches / functions of the systems and processes in place for monitoring, evaluation, assessment and mitigation of risk through a systematic and effective audit programme. The observations of Audit Committee, if any, on the risk management are reported to the board.



**Opportunities and Threats:**

Growth of the company's asset book, quality of assets and ability to raise funds depends significantly on economy. Unfavorable events in the Indian economy can affect consumer sentiments and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial service providers, unstable political environment, changes in government policies/ regulatory framework could impact the company's operations.

**Internal Control Systems and their Adequacy:**

Internal control systems are embedded in the processes across all functions in the Company. These systems are being regularly reviewed and wherever necessary are modified or redesigned to ensure better efficiency and effectiveness. The systems are subjected to supervision by the Board of Directors and the Audit Committee, duly supported by Corporate Governance.

The company Complies with all the applicable statutes, policies, procedures, listing requirements and management guidelines. It Adheres to applicable accounting standards and polices.

**Human Resources:**

- a. The Management believes in maintaining cordial relations with its employees. The management recognizes the importance of Human Resources and effective steps will be taken to strengthen the same depending on the requirements.
- b. The Company provided excellent working environment so that the individual staff can reach his/her full potential.
- c. The Company is poised to take on the challenges and march towards accomplishing its mission with success.
- d. The Company maintained good Industrial/Business relation in market which enhanced the creditworthiness of the Company.

**Outlook:**

The financial year 2019-20 could well be the period that witnesses a strong and sustained economic upsurge. The outlook of the company for the year ahead is to diversify risk and stabilize its asset quality. The company will adopt a cautious approach and focus on customer relationships. Improvement in growth conditions in the second half of FY2018-19 indicates normalisation of the supply chain, which was disrupted on account of demonetisation and GST implementation.

**Cautionary Statement:**

Statement in the Management Discussion and Analysis describing the Company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, Government regulations and taxation, natural calamities etc. over which the company does not have any control.

**Annexure F**  
**CEO / CFO CERTIFICATION**

To,  
The Board of Directors,  
**Five X Tradecom Limited**

**We hereby certify that:**

1. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2019 and that to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These statements together present a true and fair view of the Company's affairs are in compliance with existing accounting standards, applicable laws and regulations.
2. No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's Code
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
  - a. Significant changes in internal control over financial reporting during the year.
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Five X Tradecom Limited**

**Sd/-**  
**Vijayshree Desai**  
**Chief Financial Officer**

**Date** : 14/08/2019

**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT OF BOD & SENIOR MANAGEMENT  
DECLARATIONS**

**Compliance with the Code of Business Conduct and Ethics**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics for the year ended March 31, 2019.

**For Five X Tradecom Limited**

**Sd/-  
Vijayshree Desai  
Managing Director  
DIN: 08198477**

**Date** : 14/08/2019

**ANNEXURE G**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,  
The Members  
**Five X Tradecom Limited**

I have examined the compliance of conditions of corporate governance by Axon Ventures Limited ('the Company') for the year ended 31 March, 2018, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

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

**For KSPM & ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn.No104723W**

**CA Sanjay Shah**  
**Partner**  
**M. No. 116251**

**Place** : Mumbai  
**Dated** : 14<sup>th</sup> August, 2019

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance

The Company provides detailed information on various issues concerning the Company's business / performance, to its shareholders. The fundamental philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for meeting its obligations to the shareholders. The Company believes that good Corporate Governance is a continuous process and strives to improve the same to meet shareholder's expectations. The Board of Directors of the Company has adopted the Code of Conduct for its members and senior management executives. Board of Directors

#### a. Composition

The Composition and category of Directors as on 31<sup>st</sup> March, 2019, are as follows:

Sr. No	Name of Directors	Category	Designation	No. of Directorship	No. of Equity Shares held in the Company	Member / Chairperson of the Committee	
						Member	Chairman
1	Mrs. Vijayshree Desai*	Executive	Managing Director	1 (One)	NIL	1	0
2	Mr. Shankar Lal Pancholia*	Independent – Non Executive	Director	1 (One)	NIL	4	1
3	Mr. Vishal Sonawane*	Independent – Non Executive	Director	4(Four)	NIL	3	1
4	Mrs. Nikita Parekh*	Independent – Non Executive	Director	3 (Three)	NIL	2	0

\*Mrs. Vijayshree Desai appointed w.e.f. 14/08/2018.

\* Mr. Shankar Lal Pancholia appointed w.e.f. 14/08/2018.

\* Mr. Vishal Sonawane appointed w.e.f. 14/08/2018.

\* Mrs. Nikita Parekh appointed w.e.f. 14/08/2018.

#### Notes:

- Directorships mentioned as above do not include directorships of private limited companies, companies under Section 8 of the Act and of companies incorporated outside India.
- Positions in only the Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning the number of Chairmanships and Memberships held by the Directors.
- None of the Independent Directors has any material pecuniary relationship or transactions with the Company, other than the commission and sitting fees received by them for attending the meetings of the Board and its Committee(s) and professional fees received by the firm in which a Director is a partner.

#### b. Board Procedure

The Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. The Company also holds additional Board Meetings to address its specific requirements, as and when required. All the decisions and urgent matters approved by way of circular resolutions are placed and noted at the subsequent Board meeting.

A detailed agenda file is sent to all the directors well in time of the Board Meeting. The Chairman/Director briefs the Directors at every Board Meeting, overall performance of the company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc.

**c. Board Meetings**

The Board meets at regular intervals. The Board meetings are generally held at the registered office of the Company. During the financial year 2018-19, Nine board meetings were held i.e.28-04-2018, 26-05-2018, 14-08-2018, 28-08-2018, 09-10-2018, 03-11-2018, 13-02-2019, 25-02-2019, 29-03-2019.The gap between two meetings did not exceed 120 days. The required quorum was present at all the above meetings.

The details of the attendance of the Board of Directors at the Board Meetings and the last Annual General Meeting (AGM) are as detailed herein below:

<b>S r . No</b>	<b>Name of Director</b>	<b>No. of Board Meetings held</b>	<b>No. of Board Meetings entitled to attend</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at the AGM</b>
1	Mrs. Vijayshree Desai	9	6	6	Yes
2	Mr. Shankar Lal Pancholia	9	6	6	Yes
3	Mr. Vishal Sonawane	9	6	6	Yes
4	Mrs. Nikita Parekh	9	6	6	Yes
5	Mr. Amit Gulecha*	9	3	3	No
6	Mr. Anubhav Maurya*	9	3	3	No
7	Mr. Girraj Kishor Agrawal*	9	3	3	No
8	Mr. Hardik kumar Kabariya*	9	3	3	No
9	Mr. Zubin Jasi Pardawala*	9	3	3	No
10	Mrs. Tanu Giriraj Agarwal*	9	3	3	No

\* Mr. Amit Gulecha resigned w.e.f. 14/08/2018.

\* Mr. Anubhav Maurya resigned w.e.f. 14/08/2018.

\* Mr. Girraj Kishor Agrawal resigned w.e.f. 03/11/2018.

\* Mr. Hardik kumar Kabariya resigned w.e.f. 14/08/2018.

\* Mr. Zubin Jasi Pardawala resigned w.e.f. 14/08/2018.

\* Mrs. Tanu Giriraj Agarwal resigned w.e.f. 14/08/2018.

**Independent Directors Meeting**

During the year under review, the Independent Directors met on March 27, 2017, inter alia, to discuss:

- a. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- b. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

**Code of Conduct**

The Company has adopted a Code of Conduct ("Code") which applies to all the Board members and Senior Management Personnel of the Company. Code of Conduct for the Board of Directors and Senior Management Personnel is in place and published on the website – [www.fivexfinance.com](http://www.fivexfinance.com)

## COMMITTEES AT BOARD LEVEL

### 1. Audit Committee

Board of Directors of the Company has constituted Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015.

#### a. Scope & Function :

##### Audit Committee reviews the following:

- To oversee the company's financial reporting process
- To recommend appointment and removal of external auditors and fixing of their fees.
- To review with the management the quarterly, half-yearly, and annual financial results / statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.
- To review the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- To review the adequacy of internal control systems and significant audit findings.
- To discuss with the statutory and internal auditors regarding the nature and scope of audit.

#### b. Composition :

The composition of the Audit Committee as on 31<sup>st</sup> March, 2019, and details of meetings attended by its members are given below:

Sr. No	Name of the Member	Designation	No. of Meetings attended
1	Shanker Lal Pancholia	Chairperson	2
2	Nikita Hardik Parekh	Member	2
3	Vijayshree Krishnat Desai	Member	2

#### c. Audit Committee Meetings :

5(Five)Committee Meetings were held during the year ended March 31, 2019. The maximum gap between any of the two meetings was not more than 120 days. The Audit Committee meetings were held on 05/04/2018, 26/05/2018, 14/08/2018, 03/11/2018,13/02/2019.

### 2. Nomination and Remuneration Committee

Board of Directors of the Company has constitutedNomination and Remuneration Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulation, 2015.

The broad terms of reference of the nomination and Remuneration Committee are as under:

- a. To formulate criteria for evaluation and evaluate the performance of every director, including the Independent Directors;

- b. To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/ reappointment / removal of the Executive / Non- Executive Directors and the senior management of the Company;
- c. Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
- d. Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors.
- e. This shall include “formulation of criteria for evaluation of independent directors and the Board”
- f. On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- g. To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 or any amendments thereof;
- h. Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.
- i. Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

During the year, 4(Four) meetings of the nomination and remuneration committee were held on 26/05/2018, 14/08/2018, 03/11/2018, 13/02/2019. The necessary quorum was present for the meeting.

**Composition:**

The composition of the nomination & remuneration committee and the details of meetings attended by its members are given below:

<b>Sr. No</b>	<b>Name of the Member</b>	<b>Designation</b>	<b>No. of Meetings attended</b>
1	Vishal Jagannath Sonawane	Chairperson	2
2	Shanker Lal Pancholia	Member	2
3	Nikita Hardik Parekh	Member	2

**Performance Evaluation Criteria for Independent Directors:**

The Independent Directors are evaluated on parameters like Director’s contributions at Board / Committee meetings, willingness to devote time and effort to understand the Company, ability to understand governance, regulatory, fiduciary and ethical requirements of the Board / Committee, adherence to Code of Conduct and how the independent Director is able to bring independent judgment during board deliberations on performance, risk management etc in addition to the criteria for evaluation of Non Executive Directors.

**Remuneration Paid To Directors during the Period Ended 31<sup>st</sup> March, 2019:**

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Salary</b>	<b>Commission</b>	<b>Sitting Fees</b>	<b>Contribution to various funds</b>	<b>Total</b>
1	Mrs. Vijayshree Desai	21,000	-	-	-	21000
2	Mr. Shankar Lal Pancholia	-	-	27,666	-	27,666
3	Mr. Vishal Sonawane	-	-	27,666	-	27,666
4	Mrs. Nikita Parekh	-	-	27,666	-	27,666
5	Mr. Amit Gulecha	-	-	-	-	-
6	Mr. Anubhav Maurya	-	-	-	-	-



Sr. No	Name of the Director	Salary	Commission	Sitting Fees	Contribution to various funds	Total
7	Mr. Girraj Kishor Agrawal	-	-	-	-	-
8	Mr. Hardik kumar Kabariya	-	-	-	-	-
9	Mr. Zubin Jasi Pardawala	-	-	-	-	-

None of the non-executive directors holds any shares, convertible instruments or stock options in the company. As on 31<sup>st</sup> March 2019, there are no outstanding options granted to any of the Directors of the Company.

Criteria for making payments to Non Executive Directors of the Company has been disclosed on the Company's website- [www.fivexfinance.com](http://www.fivexfinance.com)

#### Criteria of Selection of Non-Executive Directors:

Non-executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- Diversity of the Board. In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### 3. Stakeholder Relationship Committee :

Board of Directors of the Company has constituted Stakeholder Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulation, 2015.

The Committee meetings were held on 26/05/2018, 14/08/2018, 03/11/2018, 13/02/2019. There is no Complaint which has remained un-resolved. No transfer of shares is pending as on date.

#### Composition:

The composition of the Stakeholder Relationship Committee and the details of meetings attended by its members are given below:

Sr. No	Name of the Member	Designation	No. of Meetings attended
1	Vishal Jagannath Sonawane	Chairperson	2
2	Shanker Lal Pancholia	Member	2
3	Nikita Hardik Parekh	Member	2

#### Nature & Number of Grievances:

During the Financial Year 2018-19, No grievances have been received by the Company.

**GENERAL BODY MEETINGS**

The Annual General Meetings for the last three years were held as follows:

<b>Financial Year</b>	<b>Type of Meeting</b>	<b>Location</b>	<b>Meeting Date and Time</b>	<b>Whether Special Resolutions passed</b>	<b>Summary of Special Resolutions passed</b>
2017-2018	AGM	E/109, Crystal Plaza, Opp. Infinity Mall, New Link Road, Andheri West, Mumbai – 400053.	28/09/2017 at 11.00 A.M.	NO	NIL
2016-2017	AGM	E/109, Crystal Plaza, Opp. Infinity Mall, New Link Road, Andheri West, Mumbai – 400053.	27/09/2017 at 11.00 A.M.	NO	NIL
2015-2016	AGM	E/109, Crystal Plaza, Opp. Infinity Mall, New Link Road, Andheri West, Mumbai – 400053.	27/09/2016 at 11.00 A.M.	NO	NIL

**1. No Extra Ordinary General Meeting was held during the year.**

**2. Special resolution passed through postal ballot.**

No postal ballot was conducted during the financial year 2018-2019.

**3. Disclosures**

**a. Policy Determining Material Subsidiaries and Related Party Transactions**

Pursuant to requirements of Regulation 23 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company’s website at [www.fivexfinance.com](http://www.fivexfinance.com).

**b. Code of Conduct**

The Board of Directors has adopted the Code of Conduct for the Board of Directors and Senior Management of the Company. The said Code has been communicated to all the Directors and Members of the Senior Management. The Code has also been posted on the Company’s website [www.fivexfinance.com](http://www.fivexfinance.com).

**c. CEO / CFO Certification**

Chief Financial Officer has provided the certificate on the financial statements and internal controls of the Company.

**d. Means of Communication**

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with its members through multiple channels of communication such as results announcement, annual reports, media releases, and Company’s website and through green initiatives.

**e. Intimation to Stock Exchange(s)**

Your Company believes that all the stakeholders should have access to adequate information about the Company. All information, which could have a material bearing on the share prices, is released at the earliest to the BSE in accordance with the requirements SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

**f. Newspapers**

The financial results and other communications of the Company are normally published in One English Language Newspaper having nationwide circulation and One Regional Language Newspaper.

**g. Website**

The Financial Results were also displayed on the Company's website [www.fivexfinance.com](http://www.fivexfinance.com). The Company also keeps on updating its website with other relevant information, as and when required. The company did not make any official news releases nor made any presentations to the institutional investors or analysts, during the period under review.

**h. Annual Report**

Annual Report containing, inter alia, the Standalone Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members of the Company prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report. The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable format.

**GENERAL SHAREHOLDER INFORMATION****a. 10th Annual General Meeting**

Day & Date	Time	Address
Monday, 30 <sup>th</sup> September, 2019.	1.00 PM	B1/A, Utkarsh Co-Op. Hsg. Society Ltd., M. A. Road, Andheri West, Mumbai 400 058.

**b. Financial Calendar (2019-2020)**

Particulars	Period
Financial Year	April 1, 2019 to March 31, 2020
<b>For consideration of Unaudited / Audited Financial Results.</b>	
Results of quarter ending June 30, 2018.	On or before August 15, 2018.
Results of quarter ending September 30, 2018.	On or before November 15, 2018.
Results of quarter ending December 31, 2018.	On or before February 15, 2019.
Results of quarter ending March 31, 2019.	On or before May 30, 2019.

**c. Book Closure Date** - Not Applicable

**d. Dividend Recommended for the year** - No Dividend Recommended.

**e. Listing on Stock Exchange** - Company's shares are listed on the Bombay Stock Exchange Ltd.

**f. Stock Code: 536751, Demat ISIN: INE750L01019.**

**g. Market Price Sensitive Information**

The monthly 'high' and 'low' closing prices of the shares traded during the period from April 2018 to March 2019 on BSE are given below:

**Stock Market Data during the year 2017-2018**

Month	Open	High	Low	Close	No. of Shares
Apr 2018	0.96	0.96	0.79	0.79	17,535
May 2018	0.77	0.80	0.76	0.76	6,200
June 2018	0.73	0.73	0.73	0.73	6,200
July 2018	0.70	0.70	0.42	0.42	90,421
August 2018	0.40	0.40	0.35	0.39	13,63,473
September 2018	0.40	0.46	0.38	0.44	65,407
October 2018	0.46	0.48	0.38	0.41	1,04,038
November 2018	0.40	0.45	0.37	0.45	72,549
December 2018	0.43	0.44	0.38	0.44	27,221
January 2019	0.44	0.78	0.42	0.75	1,13,176
February 2019	0.73	0.73	0.38	0.38	51,911
March 2019	0.37	0.44	0.36	0.43	1,43,191

**h. Distribution of Shareholding as on 31<sup>st</sup> March, 2019.**

SHAREHOLDERS			SHAREHOLDING	
No. of shares	Nos.	%	Holding in Rs.	%
Upto to 5000	7761	95.01	4,54,89,000	22.13
5001 to 10000	213	2.61	1,59,87,650	7.78
10001 to 20000	128	1.57	1,81,81,010	8.85
20001 to 30000	41	0.50	1,00,59,090	4.89
30001 to 40000	22	0.27	75,52,920	3.67
40001 to 50000	17	0.21	76,02,930	3.70
50001 to 100000	24	0.29	1,59,47,700	7.76
100001 to Above	23	0.28	8,27,73,700	40.27

**i. Shareholding Pattern as on 31<sup>st</sup> March, 2019.**

Category		No. of Shares held	% of outstanding
<b>A</b>	<b>Promoter's Holding</b>		
<b>1</b>	<b>Promoters</b>		
	-Indian Promoters	NIL	NIL
	-Foreign Promoters	NIL	NIL
<b>2</b>	<b>Persons Acting in Concert</b>	<b>NIL</b>	<b>NIL</b>
	<b>Sub – Total</b>	<b>NIL</b>	<b>NIL</b>

Category		No. of Shares held	% of outstanding
<b>B</b>	<b>Non-Promoter's Holding</b>		
<b>3</b>	<b>Institutional Investors</b>		
a)	Mutual Funds and UTI	NIL	NIL
b)	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions / NonGovernment Institutions)	NIL	NIL
<b>4</b>	<b>Non – Institution</b>	<b>NIL</b>	<b>NIL</b>
a)	Private Corporate Bodies	37,20,129	18.10
b)	Indian Public	1,59,89,797	77.80
c)	NRI's/OCB's - NRI	1,44,308	0.70
d)	Clearing members	1,34,813	0.66
e)	Any Other (Please specify) – HUF	5,65,353	2.75
	<b>Sub – Total</b>	<b>2,05,54,400</b>	<b>100</b>
C	FII's	NIL	NIL
	<b>Sub – Total</b>	<b>NIL</b>	<b>NIL</b>
	<b>Grand Total</b>	<b>2,05,54,400</b>	<b>100</b>

**j. Dematerialisation of Shares.**

The equity shares of the company are available for trading in the dematerialized form under both the Depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**k. No. of Shares held in physical mode and dematerialized form as on 31<sup>st</sup> March, 2019.**

Particulars	No. of Shares	%
Held in Dematerialized mode in NSDL	1,14,57,301	55.74
Held in Dematerialized mode in CSDL	82,98,560	40.37
Shares held in Physical Mode	7,98,539	03.89
<b>Total</b>	<b>2,05,54,400</b>	<b>100</b>

**l. Share Capital Audit**

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and shares held in physical form as per the register of members vis- à-vis the total issued and listed capital. This audit is carried out every quarter and the report is submitted to the Bombay Stock Exchange Ltd.

**m. Investor Correspondence**

All documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the R & T Agents at its following address for transfer/dematerialization of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the company.

**n. Other Disclosures**

1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large– Not Applicable.
2. Details of Non Compliance by the Company, penalties, and structures imposed on the Company by Stock Exchanges or the Board or any statutory authority, on any matter related to capital markets, during the last three years – Not Applicable.
3. Web link where policy for determining ‘material’ subsidiaries is disclosed– The Company does not have any material subsidiaries.
4. Disclosure of commodity price risks and commodity hedging activities – Not Applicable.
5. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable.
6. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority – Attached after Report on Corporate Governance.
7. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof– Not Applicable.
8. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 –
  - a. Number of Complaints filed during the financial year - NIL
  - b. Number of Complaints disposed of during the year - NIL
  - c. Number of Complaints pending as on end of the financial year - NIL

• **Details of Subsidiaries and Associate Companies**

The Company does not have any Subsidiary and Associate Companies as on 31stMarch, 2019.

• **The Company has financial statements with unmodified audit opinion.**

• **The Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2017-18 and hence no complaint is outstanding as on 31.03.2018 for Redressal. The policy is available at the following weblink:[www.fivexfinance.files.wordpress.com/2017/04/sexual-harassment-policy.pdf](http://www.fivexfinance.files.wordpress.com/2017/04/sexual-harassment-policy.pdf)

• **Vigil Mechanism / Whistle Blower Policy**

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behaviour of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The details of the said Policy are included in the Report on Corporate Governance which forms part of the Annual Report. During the financial year 2017-18, no cases under this mechanism were reported in the Company and any of its subsidiaries/ associates. The policy is available at the following weblink:[www.fivexfinance.files.wordpress.com/2017/04/whistle-blower-policy.pdf](http://www.fivexfinance.files.wordpress.com/2017/04/whistle-blower-policy.pdf)

- **Policy on Preservation of Documents**

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) imposed certain obligations and disclosure requirements on all listed entities, one of the common obligations for all listed entities pursuant to Regulation 9 being to formulate and put in place a policy for preservation of documents.

The Board of Directors of M/s Five X Tradecom Limited has complied with the requirement of formulating the policy for “Preservation of Documents” to comply with the requirements of Regulation 9 of the SEBI (LODR) Requirements, 2015. The policy is available at the following weblink:[www.fivexfinance.files.wordpress.com/2017/04/whistle-blower-policy.pdf](http://www.fivexfinance.files.wordpress.com/2017/04/whistle-blower-policy.pdf)

- **Related Party Transaction Policy**

The Board of Directors of M/s Five X Tradecom Limited has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and SEBI (LODR) Requirements, 2015, with the Stock Exchanges in India. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee. This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions. The policy is available at the following web link: [www.fivexfinance.files.wordpress.com/2017/04/whistle-blower-policy.pdf](http://www.fivexfinance.files.wordpress.com/2017/04/whistle-blower-policy.pdf)

**For any other query:**

**Purva Sharegistry (India) Pvt Ltd.**

Unit No.9, Shiv Shakti Indl. Estate,  
J.R. Boricha Marg, Opp. Kasturba  
Hospital Lane, Lower Parel East,  
Mumbai – 400 011.

**Website :** [www.fivexfinance.com](http://www.fivexfinance.com)

**Email Id :** [fivexfinance@gmail.com](mailto:fivexfinance@gmail.com)

**Five X Tradecom Limited**

Office No. 207/C, Shivai Indl. Estate,  
Bldg No. 89, Andheri Kurla Road, Sakinaka,  
Andheri East, Mumbai – 400072.

**DISCLOSURES OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF SEBI LODR REQUIREMENTS, 2015.**

Sr. No	Particulars	Regulation	Compliance Status Yes / No / N.A.	Compliance Observed for the following
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>• Board Composition</li> <li>• Meeting of Board of Directors</li> <li>• Review of compliance reports</li> <li>• Plans for orderly succession for appointments</li> <li>• Code of Conduct</li> <li>• Fees / compensation</li> <li>• Minimum information to be placed before the Board</li> <li>• Compliance Certificate</li> <li>• Risk Assessment &amp; Management</li> <li>• Performance Evaluation of Independent Directors</li> </ul>
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Meeting of Audit Committee</li> <li>• Role of the Committee and review of information by the Committee</li> </ul>
3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>
4	Stakeholder Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>
5	Risk Management Committee	21	Not Applicable	<ul style="list-style-type: none"> <li>• The Company is not in the list of top 500 listed entities by market capitalization</li> </ul>
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>• Formulation of Vigil Mechanism for Directors and employees</li> <li>• Direct access to Chairperson of Audit Committee</li> </ul>
7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>• Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions</li> <li>• Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee, Board of Directors and Shareholders of the Company</li> <li>• Review of transactions pursuant to aforesaid contracts</li> </ul>
8	Corporate Governance with respect to subsidiary of listed entity	24	Not Applicable	<ul style="list-style-type: none"> <li>• The Company does not have any subsidiary</li> </ul>
9	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• Maximum Directorship and Tenure</li> <li>• Meeting of Independent Directors</li> <li>• Familiarization of Independent Directors</li> </ul>



Sr. No	Particulars	Regulation	Compliance Status Yes / No / N.A.	Compliance Observed for the following
10	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> <li>• Memberships / Chairmanships in Committees</li> <li>• Affirmation with compliance to Code of Business Conduct and Ethics from Directors and Management Personnel</li> <li>• Disclosure of shareholding by Non-executive Directors</li> <li>• Disclosures by Senior Management about potential conflicts of interest</li> </ul>
11	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> <li>• Compliance with discretionary requirements</li> <li>• Filing of quarterly compliance report on Corporate Governance</li> </ul>
12	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>• Terms and conditions of appointment of Independent Directors</li> <li>• Composition of various Committees of Board of Directors</li> <li>• Code of Business Conduct and Ethics for Directors and Management Personnel</li> <li>• Details of establishment of Vigil Mechanism/ Whistle Blower Policy</li> <li>• Policy on dealing with Related Party Transactions</li> <li>• Details of familiarization programmes imparted to Independent Directors</li> </ul>

**CERTIFICATE OF NON - DISQUALIFICATION OF DIRECTORS**

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

To,  
 The Members of,  
**Five X Tradecom Limited**  
 Office No. 207/C, Shivai Ind. Estate,  
 Bldg No. 28, Andheri Kurla Road,  
 Sakinaka, Andheri East, Mumbai – 400072.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Five X Tradecom Limited having CIN L74110MH2010PLC201249 and having registered office at Office No. 207/C, Shivai Ind. Estate, Bldg No. 28, Andheri Kurla Road, Sakinaka, Andheri East, Mumbai – 400072,

(hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

<b>Sr. No</b>	<b>Name of Directors</b>	<b>DIN</b>	<b>Date of Appointment in the Company</b>
1	Mrs. Nikita Parekh	06800141	14/08/2018
2	Mr. Shanker Lal Pancholia	08068717	14/08/2018
3	Mr. Vishal Sonawane	08103078	14/08/2018
4	Mrs. Vijayshree Desai	08198477	14/08/2018

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

**For CS Nitesh Chaudhary & Co**

Sd/-  
**Nitesh Chaudhary**  
**Practising Company Secretary**  
**Membership No FCS-10010**  
**COP No. 16275**

**Place** : Mumbai  
**Dated** : 14<sup>th</sup> August, 2019

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**Independent Auditor's Report  
To the Members of FIVE X TRADECOM LIMITED  
(Formerly known as Five X Finance & Investment Limited)**

**Report on the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the accompanying standalone Ind AS financial statements of FIVE X TRADECOM LIMITED (Formerly known as Five X Finance & Investment Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 "the Act" in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended "Ind AS" and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss including total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 opinion.

**Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Standalone Ind AS Financial Statements**

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

133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

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

### **Auditor's Responsibility for the Audit of the Standalone Ind AS 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 standalone financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.

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

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

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

As required by 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 Companies Act, 2013, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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.

- a. 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.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to other matters to be included in the auditor's report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with with the provisions of section 197 of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company has represented that it does not have any pending litigations which would impact its financial position. Refer Note 16 to the Standalone IND AS Financial Statements.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. The Company is not liable to transfer any amount to the Investor Education and Protection Fund. Therefore, there has been no delay in transferring amounts required to be transferred to, the Investor Education and Protection Fund by the Company.

**For KSPM & ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn.No104723W**

**CA Sanjay Shah**  
**Partner**  
**M. No. 116251**

**Place: Mumbai**  
**Date: 30th May 2019**

**ANNEXTURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF FIVE X TRADECOM LIMITED (Formerly known as Five X Finance & Investment Limited)**

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **FIVE X TRADECOM LIMITED (Formerly known as Five X Finance & Investment Limited)** ('the Company') **as of 31 March 2019**.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

**Inherent Limitations of Internal Financial Controls 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.

#### **Qualified Opinion**

**According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31,2019.**

- a) The Company did not have an appropriate internal control system for granting Loans, Demand and other loans given are governed by the Board Policies. Considering the close monitoring of Board no appraisal, renewal, Policies, Procedure, Committee or documents have been prescribed and executed.**
- b) The Company's internal control system is not commensurate to the size and scale of operation over purchase and sale of shares and inventory and for expenses incurred.**

**A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such as there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.**

In our opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, 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 31st March 2019, 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March, 2019 financial statements of the Company, and the material weakness does not affect our opinion of the financial statements of the Company.

**For KSPM & ASSOCIATES  
Chartered Accountants  
Firm Regn.No104723W**

**CA Sanjay Shah  
Partner  
M. No. 116251**

**Place: Mumbai  
Date: 30th May 2019.**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirement's section of our report of even date)

**Reports on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of FIVE X TRADECOM LIMITED (Formerly known as Five X Finance & Investment Limited):**

**1. In respect of company's Fixed Assets:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) The Company does not hold any Immovable properties. Hence this clause is not applicable
2. As the Company does not hold any inventory the Clause pertaining to reasonableness of verification and materiality of discrepancy is not applicable.
  3. The Company has granted loans to entities covered in the register maintained under section 189 of Companies Act, 2013.
    - a) The terms and condition of the grant of such loan are not prejudicial to the Interest of the Company.
    - b) No schedule of repayment of principal and payment of interest has been stipulated.
    - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act
  4. 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 Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
  5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
  6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company.
  7. According to the information and explanation given to us, in respect of statutory dues:
    - (a) According to the records of the Company the Company is generally regular in depositing with appropriate authorities undisputed statutory dues statutory dues applicable to it.
    - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service Tax, sales tax, goods and service tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2019 for a period of more than six months from the date they became payable
    - (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess that have not been deposited with appropriate authorities on account of any dispute.
  8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not borrowed from financial Institution, Debentures and Government and the question of default does not arise.

9. The Company has not raised money by initial public offer or further public offer during the year. The Company has not taken any term loans during the year.
10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
11. The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
14. 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 this clause is not applicable.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provision of Section 192 of the Act is not applicable.
16. As per provisions of Section 45-IA of RBI Act 1934, a Company is classified under various categories of Finance Company if a Company's Financial assets are more than 50% of the total assets of the Company and Gross Income from Financial Activities constitute more than 50% of Gross Income. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as both the Financial Assets exceeds 50% of total assets as well as Income from Financing activities exceeds 50% of Gross Income during the year.

**For KSPM & ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn.No104723W**

**CA Sanjay Shah**  
**Partner**  
**M. No. 116251**

**Place: Mumbai**  
**Date: 30th May 2019**

**Balance Sheet as at March 31, 2019**

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>Assets</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	2	8,510	8,510
(b) Capital Work-in-Progress		-	-
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible assets		-	-
(f) Intangible assets under development		-	-
(g) Biological Assets other than Bearer plants			
(h) Financial Assets			
(i) Investments			-
(ii) Trade receivables			-
(iii) Loans			-
(iv) Others (to be specified)			-
(i)Deferred tax-assets (net)		11,048,594	11,048,594
(ii)Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Inventories	3	-	-
(b) Financial Assets	4		
(i) Investments	4a	49,095,781	39,905,109
(ii) Trade receivables	4b	-	-
(iii) Cash and Cash equivalents	4c	10,667,583	645,856
(iv) Bank balances other than (iii) above	4d	-	-
(v) Loans		-	-
(vi) Others	4e	119,641,820	138,363,646
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	5	2,015,669	1,570,208
<b>Total Assets</b>		<b>192,477,957</b>	<b>191,541,923</b>
<b>Equity and Liabilities</b>			
<b>(I) Equity</b>			
(i) Equity Share Capital	6	205,544,000	205,544,000
(ii) Other Equity & Reserves	6	(13,261,175)	(14,267,706)
<b>(2) Liabilities</b>			
<b>(i) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	15		
(d) Other Non-current liabilities		-	-
<b>(ii) Current Liabilities</b>			
(a) Financial Liabilities	7		
(i) Borrowings	7a	-	-
(ii) Trade payables	7b	195,132	263,604
(iii) Other financial liabilities	7c	-	-
(b) Other current liabilities	8	-	-
(c) Provisions	9	-	2,025
(d)Current Tax Liabilities (Net)		-	-
<b>Total Equity and Liabilities</b>		<b>192,477,957</b>	<b>191,541,923</b>

**Summary of Significant accounting policies**

**1**

**Notes to Financial Statements**

**2-30**

**As per our separate report attached**

**For KSPM& ASSOCIATES  
Chartered Accountants  
Firm RegnNo. 104723W**

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

**CA Sanjay N Shah  
Partner  
Membership number: 116251**

**VijayshreeDesai  
DIN-08198477  
Managing Director& CFO**

**Nikita Parekh  
DIN-06800141  
Director**

**Date: 30th May, 2019  
Place: Mumbai**

## Statement of Profit &amp; Loss for the period ended March 31, 2019

	Particulars	Note	As at March 31, 2019	As at March 31, 2018
I	Revenue from Operations	10a	11,708,940	18,548,221
II	Other Income	10b	796,149	208,780
III	Share of profits/losses in a partnership firms		-	-
IV	<b>Total Income (I + II)</b>		<b>12,505,089</b>	<b>18,757,001</b>
V	<b>Expenses</b>			
	Purchases of Stock-in-Trade			9,573,400
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	11	-	-
	Employee benefits expense	12	590,924	727,271
	Finance Costs	13	1,683,973	4,321
	Depreciation & amortization expense		-	-
	Other expenses	14	10,854,262	5,539,933
	<b>Total expenses (V)</b>		<b>13,129,159</b>	<b>15,844,925</b>
VI	Profit / (loss) before exceptional items and tax (IV-V)		(624,070)	2,912,076
VII	Exceptional Items		-	-
VIII	Profit / (loss) before tax (VI-VII)		(624,070)	2,912,076
IX	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	1,625,743
	(3) Excess/ Short Provision of Tax		-	-
X	<b>Profit / (Loss) for the period from continuing operations (VIII-IX)</b>		<b>(624,070)</b>	<b>1,286,333</b>
XI	Profit/ (loss) from discontinued operations		-	-
XII	Tax expense of discontinued operations		-	-
XIII	Profit/ (loss) from discontinued operations (after tax) (XI-XII)		-	-
XIV	<b>Profit/ (loss) for the period (X+XIII)</b>		<b>(624,070)</b>	<b>1,286,333</b>
XV	Other Comprehensive income			
A	(i) Items that will not be reclassified to profit or loss		1,630,603	890,127
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(1,433,575)
			<b>1,630,603</b>	<b>(543,448)</b>
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XVI	<b>Total Comprehensive Income for the period (XIV+XV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>1,006,533</b>	<b>742,885</b>
XVII	Earnings per equity share (for continuing operation):			
	(1) Basic		(0.03)	0.06
	(2) Diluted		(0.03)	0.06
	Number of Shares at the End of the Year		20,554,400	20,554,400
	Face Value per share		10	10
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		(0.03)	0.06
	(2) Diluted		(0.03)	0.06
	Number of Shares at the End of the Year		20,554,400	20,554,400
	Face Value per share		10	10
XIX	Earnings per equity share (for discontinued & continuing operations):			
	(1) Basic		(0.03)	0.06
	(2) Diluted		(0.03)	0.06
	Number of Shares at the End of the Year		20,554,400	20,554,400
	Face Value per share		10	10

Summary of Significant accounting policies

1

Notes to Financial Statements

2-30

As per our separate report attached

For KSPM & ASSOCIATES  
Chartered Accountants  
Firm RegnNo. 104723W

CA Sanjay N Shah  
Partner  
Membership number: 116251

Date: 30th May, 2019  
Place: Mumbai

For and on behalf of the Board of Directors

VijayshreeDesai  
DIN-08198477  
Managing Director & CFO

Nikita Parekh  
DIN-06800141  
Director

**Cash Flow Statement for the period ended March 31, 2019**

SN	Particulars	As at March 31, 2019	As at March 31, 2018
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit Before Tax	(624,070)	2,912,076
	Add Extraordinary items	-	-
	Exceptional items	-	-
		<b>(624,070)</b>	<b>2,912,076</b>
	Adjustments for changes in:		
	Depreciation	-	-
	Finance Costs	1,677,909	-
	Interest Income	11,748,449	10,017,350
	Interest on IT Refund	45,847	184,051
	Dividend income	-	-
	Profit on sale of investment	-	4,908,718
	Fixed Assets Written off	-	-
	Bad Debts Written off	-	-
	Rental income from operating leases	-	-
	Deferred Tax Liabilities	-	-
	Liabilities / provisions no longer required written back	-	-
	Discounts Received	-	-
	Net unrealised exchange (gain) / loss	-	-
	<b>Operating Profit before Working Capital Changes</b>	<b>(14,096,275)</b>	<b>(12,198,043)</b>
	Changes in working capital:		
	Adjustments for (Increase)/ Decrease in operating Assets:		
	Investments	(9,190,672)	14,017,803
	Inventories	-	-
	Trade receivables	-	-
	Short-term loans and advances	-	-
	Long-term loans and advances	-	-
	Other Financial Assets	18,721,826	(18,371,320)
	Other Current Assets	(445,461)	980,163
	Other Non-Current Assets	-	-
	Adjustments for Increase/(Decrease) in operating Liabilities:		
	Trade payables	(68,472)	158,604
	Other Current Liabilities	-	3,059,318
	Short term Provisions	(2,025)	2,025
	Long-term provisions	-	-
		(5,081,080)	(12,351,450)
	Cash flow from extraordinary items	-	-
	<b>Cash generated from operations</b>	<b>(5,081,080)</b>	<b>(12,351,450)</b>
	Income tax (paid)/ refunds	-	(1,625,743)
	<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	<b>(5,081,080)</b>	<b>(13,977,193)</b>
	<b>Add: Exceptional Income: Interest on Income Tax refund OCI</b>	<b>45,847</b>	<b>184,051</b>
		<b>1,630,603</b>	<b>(543,448)</b>
	<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	<b>(3,404,630)</b>	<b>(14,336,590)</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Capital expenditure on fixed assets, including capital advances	-	-
	Proceeds from sale of fixed assets	-	-
	Movement in Long-term Investment	-	-
	Interest received	11,748,449	10,017,350
	Dividend received	-	-
	Rental income from operating leases	-	-
	<b>Net Cash Flow from/ (used in) Investing Activities (B)</b>	<b>11,748,449</b>	<b>10,017,350</b>
	Net income tax (paid) / refunds	-	-
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Inter Corporate Deposits	-	-
	Movement in Borrowing	-	-
	Finance Cost	1,677,909	-
	<b>Net Cash Flow from/ (used in) Financing Activities (C)</b>	<b>1,677,909</b>	<b>-</b>
	<b>Net Increase or Decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>10,021,728</b>	<b>(4,319,240)</b>
	<b>Opening Cash &amp; Cash Equivalents</b>	<b>645,855</b>	<b>4,965,095</b>
	<b>Closing Cash &amp; Cash Equivalents</b>	<b>10,667,583</b>	<b>645,855</b>

Summary of Significant accounting policies

1

Notes to Financial Statements

2-30

As per our separate report attached

As per our separate report attached

For KSPM& ASSOCIATES  
Chartered Accountants  
Firm RegnNo. 104723W

For and on behalf of the Board of Directors

CA Sanjay N Shah  
Partner  
Membership number: 116251

VijayshreeDesai  
DIN-08198477  
Managing Director& CFO

Nikita Parekh  
DIN-06800141  
Director

Date: 30th May, 2019  
Place: Mumbai

**Notes to the Financial Statements for the year ended 31st March, 2019****1 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS****SIGNIFICANT ACCOUNTING POLICIES**

Significant Accounting Policies are accounting policies according to which the Company accounts for transactions in the accounting periods covered by the Financial Statements or would account for transaction in the year in which they would occur.

**1.1 Basis of preparation of financial statements**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ("IND AS") notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015

For all periods upto and including the year ended 31st March 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

These financial statements have been prepared and presented on a going concern basis using the historical cost convention and on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting period (where ever and to the extent applicable financial assets and liabilities are valued at Fair Value).

The financial statements have been prepared assuming that the entity will be able to continue its operations in near foreseeable future and there is no material circumstances casting doubt over going concern ability of the Company and neither management intends to liquidate its operation.

The accounting policies have been applied consistently over all the period presented in these financial statements

**1.2 Current/Non Current Classification**

Any asset or liability is classified as current if it satisfied any of the following conditions:

- i. The Asset/Liability is expected to be realized/settled in the Company's normal operating cycle;
- ii. The Asset is intended for sale or consumption
- iii. The Asset/Liability is held primarily for the purpose of trading;
- iii. The Asset/Liability is held primarily for the purpose of trading;
- iv. The Asset/Liability is expected to be realized/settled within twelve months after the reporting period;
- v. The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time limit between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**1.3 Summary of Significant Accounting Policies****a) Business Combinations**

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The Consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax

**Notes to the Financial Statements for the year ended 31st March, 2019**

asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12 "Income Taxes" and Ind AS 19 "Employee Benefits", respectively

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase where in the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity

**b) Goodwill**

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, "Business Combinations"

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company's cash generating units (CGU's) that are expected to benefit from the combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGU's to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss is recognized for goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposal CGU is included in the carrying amount if the CGU when determining the gain or loss on disposal.

**c) Property, Plant and Equipment  
Measurement at recognition**

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

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful that is materially different from that of the remaining item.



**Notes to the Financial Statements for the year ended 31st March, 2019**

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the statement of Profit and Loss as and when incurred.

**Capital work in progress and Capital advances**

Cost of assets not ready for intended use, as on the Balance Sheet Date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non Current Assets.

**Depreciation**

Depreciation on each part of an item of property, plant and equipment is provided on Original Cost/WDV Less Residual Value (Residual Value is calculated at 5% of Original Cost) using the Straight Line Method based on the useful life of the asset as mentioned below and charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

The estimated useful life of items of property, plant and equipment is mentioned below:

Type of Asset	Useful Life of Asset in Years
Motor Vehicles	8
Furniture and Fixtures	10
Computers Desktops and Laptops	3
Computer Server	6
Office Equipment	5
Factory Building	30
Buildings Other than Factory Building (with RCC Frame Structure)	60
Buildings Other than Factory Building (without RCC Frame Structure)	30
General Rate for Plant and Machinery -Continuous Use	8
General Rate for Plant and Machinery -Non Continuous Use	15

Freehold Land is not depreciated. Lease hold land and Leasehold improvements are amortized over the period of lease

**De-Recognition:**

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

**Notes to the Financial Statements for the year ended 31st March, 2019**

**d) Intangible Assets:**

**Measurement at recognition:**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred.

**Amortization:**

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate

**De-recognition:**

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

**e) Impairment:**

Assets that have an indefinite useful life, for example goodwill, are not subjected to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired

Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been previously been recognized.

**f) Revenue:**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax and excluded from revenue.

**Sale of products:**

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

**Notes to the Financial Statements for the year ended 31st March, 2019****Rendering of services:**

Revenue from services is recognized when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

**Interest, royalties and dividends:**

Interest income is recognized using effective interest method. Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognized when the right to receive payment is established.

**g) Government grants and subsidies:****Recognition and Measurement:**

In case Company is entitled to subsidies from government in respect of manufacturing units located in specified regions.

Such subsidies are measured at amounts receivable from the government which are non refundable and are recognized as income when there is a reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

In the event the Company receives refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of IND AS 109, Financial Instruments'. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds reviewed. It is recognized as income when there is a reasonable assurance that the Company will comply with all the necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Company recognizes interest expense corresponding to such loans.

**Presentation:**

Income from subsidies are presented on gross basis under Revenue from Operations. Income arising from below-market rate of interest loans are presented on gross basis under Other Income.

**h) Inventory:**

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

**i) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Notes to the Financial Statements for the year ended 31st March, 2019**

**Financial Assets**

**Initial recognition and measurement:**

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

**Subsequent measurement:**

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

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

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

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

**i. Financial assets measured at amortized cost:**

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

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

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

**Notes to the Financial Statements for the year ended 31st March, 2019****ii. Financial assets measured at FVTOCI:**

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

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

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On de-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer Note 29 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On de-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

**iii. Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

**De-recognition:**

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

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

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

**Notes to the Financial Statements for the year ended 31st March, 2019**

**Impairment of financial assets:**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. The Management based on historically observed default rates is of the opinion that all the Receivables are Goods and Recoverable and provision for Bad and Doubtful Debts is not necessary and hence no provision is made.

ECL impairment loss allowance/Provision (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

**Financial Liabilities:**

**Initial recognition and measurement:**

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

**Notes to the Financial Statements for the year ended 31st March, 2019**

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

**Subsequent measurement:**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

**De-recognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the De-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

**j) Derivative financial instruments and Hedge accounting**

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, 'Financial Instruments'.

**Recognition and measurement of fair value hedge:**

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

**De-recognition:**

On De-recognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.



**Notes to the Financial Statements for the year ended 31st March, 2019**

**k) Fair Value:**

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

**In the Principal market for the asset or liability,**

**or**

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

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

**l) Investment in Subsidiary and Associate Companies**

The Company does not have any Subsidiary and/or Associate Companies.

However in the event the Company has an Associate or Subsidiary, the Company would recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

**m) Foreign Currency Translation**

**Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

**Measurement of foreign currency items at reporting date:**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

**n) Income Taxes:**

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

**Current tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs



**Notes to the Financial Statements for the year ended 31st March, 2019**

from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

**Deferred tax:**

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

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

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

**Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**o) Provisions and Contingencies:**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**Notes to the Financial Statements for the year ended 31st March, 2019**

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

**p) Measurement of EBITDA:**

The Company has opted to present Earnings Before Interest (finance cost), Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period. The Company measures EBITDA based on profit/(loss) from continuing operations.

**q) Cash and Cash Equivalents:**

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

**r) Employee Benefits:**

**Short Term Employee Benefits:**

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

**Post-Employment Benefits:**

**I. Defined Contribution plans:**

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

Recognition and measurement of defined contribution plans:

The Company would (if , when and to the extent applicable) recognize contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

**II. Defined Benefit plans:**

**i) Provident Fund scheme:**

Specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries as being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

**ii) Gratuity scheme:**

The Company would operate (if , when and to the extent applicable) a defined benefit gratuity plan for employees. The Company would contribute to a separate entity (a fund), towards meeting the Gratuity obligation.

**Notes to the Financial Statements for the year ended 31st March, 2019****iii) Pension Scheme:**

The Company may operate a defined benefit pension plan for certain specified employees and would be payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

**iv) Post-Retirement Medical benefit plan:**

The Company may operate a defined post-retirement medical benefit plan for certain specified employees and would be payable upon the employee satisfying certain conditions.

**Recognition and measurement of Defined Benefit plans:**

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

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss.

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

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

**Other Long Term Employee Benefits (to the extent applicable):**

Entitlements to annual leave and sick leave are recognized when they accrue to employees subject to a restriction on the maximum number of accumulation of leave if any determined by the Company.

The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

**s) Lease Accounting:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

- (1) Another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or
- (2) The payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

**t) Research and Development:**

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

**Notes to the Financial Statements for the year ended 31st March, 2019**

**u) Borrowing Cost:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

**v) Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**w) Events after Reporting date:**

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

**x) Non-Current Assets held for sale:**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

**Key accounting estimates and judgments'**

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

**Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**a. Income taxes**

The Company's tax jurisdiction is India. Significant judgments' are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions .

**b. Business combinations and Intangible Assets**

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

**Notes to the Financial Statements for the year ended 31st March, 2019****c. Property, Plant and Equipment**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired as given in Schedule II of the Companies Act 2013.

**d. Impairment of Goodwill**

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

**e. Defined Benefit Obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 40, 'Employee benefits'.

**f. Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments' and assumptions.

**Ind AS 115, Revenue from contract with customers:**

Ind AS 115 supersedes Ind AS 11, Construction Contract and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue they demonstrates the transfer of promised goods and service to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts the date of initial application of the standard.

Based on the preliminary assessment performed by the company, the impact of application of the standard is not expected to be material.

**Appendix B to Ind AS 21, foreign currency transaction and advance consideration:**

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the assets, expenses or income (or part of it,) is the date on which an entity initially recognises the non-monetary assets or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payments or receipts of advance consideration.

**Notes to the Financial Statements for the year ended 31st March, 2019**

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

**Recent Accounting pronouncements**

Ind AS 116 On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

Based on the preliminary assessment performed by the company, the impact of application of the standard is not expected to be material.

**Appendix C to Ind AS 12 - Uncertainty over income tax treatments**

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

Amendment to Ind AS 12 – Income Taxes On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's consolidated financial statements.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019.

## Notes to the Financial Statements for the year ended 31st March, 2019

## 2. Property, Plant &amp; Equipment

Particulars	Motor Cars	Furniture and Fixtures	Computer & Computer Equipments	Total
<b>Year ended March 31, 2018</b>			-	-
<b>Gross Carrying Amount</b>			299,569	299,569
Exchange Difference				-
Additions				-
Assets including in a disposal group classified as held for sale				-
Disposals				
<b>Closing gross carrying amount</b>	-	-	299,569	299,569
<b>Accumulated Depreciation</b>				
Opening Accumulated Depreciation			291,059	291,059
Depreciation charged during the year			-	-
Assets included in a disposal group classified for sale			-	-
Disposals			-	-
Exchange Difference			-	-
<b>Closing Accumulated Depreciation</b>			291,059	291,059
<b>Net carrying amount March 31, 2018</b>	-	-	8,510	8,510
<b>Gross carrying amount March 31, 2019</b>				
Opening Gross Carrying Amount			299,569	299,569
Exchange Difference	-	-	-	-
Acquisition of Subsidy	-	-	-	-
Additions	-	-	-	-
Assets Classified as held for sale	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
<b>Closing gross carrying amount</b>	-	-	299,569	299,569
<b>Accumulated Depreciation</b>	-	-		
Opening accumulated depreciation	-	-	291,059	291,059
Depreciation charged during the year	-	-	-	-
Impairment loss	-	-	-	-
Disposals	-	-	-	-
Exchange Difference	-	-	-	-
Assets classified as held for sale	-	-	-	-
<b>Closing Accumulated depreciation</b>	-	-	291,059	291,059
<b>Net carrying amount March 31, 2019</b>	-	-	8,510	8,510

Notes to the Financial Statements for the year ended 31st March, 2019

3. Inventories

Particulars	31st March, 2019	31st March, 2018
a. Raw materials	-	-
b. Work-in-progress	-	-
c. Finished Goods	-	-
d. Stock-in-trade	-	-
e. Stores and spares	-	-
f. Loose tools	-	-
g. Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

4. Current Financial Assets

Particulars	31st March, 2019	31st March, 2018
<b>a. Investments</b>		
Investments in Equity Instruments	38,095,781	39,905,109
Investments in Preference Shares	11,000,000	-
Investments in government or trust securities	-	-
Investments in debentures or bonds	-	-
Investments in Mutual Funds	-	-
Investments in Partnership firms	-	-
Other Investments	-	-
<b>Total (a)</b>	<b>49,095,781</b>	<b>39,905,109</b>
<b>b. Trade Receivables</b>		
Secured Considered Good	-	-
Unsecured Considered Good	-	-
Doubtful	-	-
Covered under section 188/ 189	-	-
<b>Total (b)</b>	<b>-</b>	<b>-</b>
<b>c. Cash and Cash Equivalents</b>		
Balance with banks in current accounts	10,177,824	298,652
Balances with banks in deposit accounts	50,980	40,083
Cheques, Drafts on hand	-	-
Cash on hand	438,780	307,121
Others Cash and Cash Equivalents	-	-
<b>Total (c)</b>	<b>10,667,584</b>	<b>645,856</b>



**Notes to the Financial Statements for the year ended 31st March, 2019**

Particulars	31st March, 2019	31st March, 2018
<b>d. Bank Balances Other that stated above</b>	-	-
<b>e. Other Financial Assets</b>		
At Amortized Cost		
(Unsecured Considered Good, Repayable on Demand)		
Loans to related parties	119,641,820	138,363,646
Loans to other parties	119,641,820	138,363,646
<b>Total</b>	<b>179,405,185</b>	<b>178,914,611</b>

**5. Other current assets**

Particulars	31st March, 2019	31st March, 2018
a. Capital Advances		
b. Advances other than capital advances	-	-
Security Deposits	-	-
Advances to related parties	-	-
Balance with Income Tax Authorities	1,845,739	1,528,465
Balance with GST Authorities	169,930	41,743
Covered by section 188/ 189	-	-
<b>Total a</b>	<b>2,015,669</b>	<b>1,570,208</b>

**6. Statement of Changes in Equity for the year ended 31 March, 2019****A(i) Equity Share Capital (Authorised)**

Particulars	Balance at the beginning of the reporting period	Changes in Authorized Equity Share Capital during the year	Balance at the end of the reporting period
2,10,00,000 Equity Shares of Rs. 10 each	210,000,000	-	210,000,000

**A(ii) Equity Share Capital (Issued, Subscribed and paid up)**

Particulars	Balance at the beginning of the reporting period	Changes in Authorized Equity Share Capital during the year	Balance at the end of the reporting period
2,05,54,400 Equity Shares of Rs. 10 each	205,544,000	-	205,544,000

Notes to the Financial Statements for the year ended 31st March, 2019

**B. Other Equity**

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Retained Earnings	Remeasurement of the net defined benefit plans	Other items of other comprehensive income (specify nature)	
Balance at the beginning of the reporting period	25,091,995	(18,815,697)	500,000	(21,044,005)	(14,267,707)
Change in fair value of FVOCI and deferred tax	-	-	-	1,630,602	1,630,602
Net loss on sale on investments measured at FV	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings (from Profit & Loss Account)	-	(624,070)	-	-	(624,070)
<b>Balance at the end of the reporting period</b>	<b>25,091,995</b>	<b>(19,439,767)</b>	<b>500,000</b>	<b>(19,413,403)</b>	<b>(13,261,175)</b>

**A(i) Equity Share Capital (Authorized)**

Particulars	Balance at the beginning of the reporting period	Changes in Authorized Equity Share Capital during the year	Balance at the end of the reporting period
2,10,00,000 Equity Shares of Rs. 10 each	210,000,000	-	210,000,000

**A(ii) Equity Share Capital (Issued, Subscribed and paid up)**

Particulars	Balance at the beginning of the reporting period	Changes in Authorized Equity Share Capital during the year	Balance at the end of the reporting period
2,05,54,400 Equity Shares of Rs. 10 each	205,544,000	-	205,544,000

## Notes to the Financial Statements for the year ended 31st March, 2019

## B. Other Equity

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Retained Earnings	Capital Reserve	Other items of other comprehensive income (specify nature)	
Balance at the beginning of the reporting period	25,091,995	(15,193,312)	500,000	(20,500,557)	(10,101,874)
Change in fair value of FVOCI and deferred tax	-	-	-	(543,448)	(543,448)
Net loss on sale on investments measured at FV	-	(4,908,718)	-	-	(4,908,718)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings (from Profit & Loss Account)	-	1,286,333	-	-	1,286,333
<b>Balance at the end of the reporting period</b>	<b>25,091,995</b>	<b>(18,815,697)</b>	<b>500,000</b>	<b>(21,044,005)</b>	<b>(14,267,707)</b>

## Details of Shareholders holding more than 5% in the Company

Name of the Shareholders	As on 31.03.2019		As on 31.03.2018	
	No of Equity shares	Percentage holding	No of Equity shares	Percentage holding
First Object technologies ltd	-	-	1,703,007	8.29%
IQMS Software ltd	1,616,057	7.86	-	-
Artlink vintrade ltd	1,132,090	5.51	-	0

## 7. Current Financial Liabilities

Particulars	31st March, 2019	31st March, 2018
<b>a. Borrowings</b>		
secured	-	-
Loans repayable on demand	-	-
from banks	-	-
from other parties	-	-
Loans from related parties	-	-
Deposits	-	-

**Notes to the Financial Statements for the year ended 31st March, 2019**

<b>Particulars</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Other loans	-	-
Loans guaranteed by directors or others	-	-
Unsecured	-	-
Loans repayable on demand	-	-
from banks	-	-
from other parties	-	-
Loans from related parties	-	-
Deposits	-	-
Other loans	-	-
Loans guaranteed by directors or others	-	-
<b>Total a</b>	<b>-</b>	<b>-</b>
<b>b. Trade payables (Unsecured)</b>		
Due to Micro and Small Enterprises		
Others	195,132	263,604
Total b	195,132	263,604
<b>c. Other financial liabilities</b>		
Current maturities of long-term debt	-	-
Current maturities of finance lease obligations	-	-
Interest accrued	-	-
Unpaid dividends	-	-
Application money received for allotment of securities to the extent refundable and interest accrued thereon	-	-
Unpaid matured debentures and interest accrued thereon	-	-
Others	-	-
<b>Total c</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>195,132</b>	<b>263,604</b>

**8. Other Current Liabilities**

<b>Particulars</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
d. Advance received for materials	-	-
e. Other advances	-	-
f. Statutory Liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements for the year ended 31st March, 2019

## 9. Current Provisions

Particulars	31st March, 2019	31st March, 2018
a. Provision for employee benefits	-	-
b. Audit fees payable	-	-
c. Provision for Tax	-	2,025
d. Other Provisions	-	-
<b>Total</b>	-	<b>2,025</b>

## 10a. Revenue from operations

Particulars	31st March, 2019	31st March, 2018
a. Sale of Textile products	-	8,555,600
b. Sale of services	-	-
c. Interest income	11,708,940	9,992,621
<b>Total</b>	<b>11,708,940</b>	<b>18,548,221</b>

## 10b. Other Income

Particulars	31st March, 2019	31st March, 2018
a. Interest income	39,509	24,729
b. Interest on income-tax refund	45,847	184,051
c. Dividend income	-	-
d. Other non-operating income	710,793	-
<b>Total</b>	<b>796,149</b>	<b>208,780</b>

## 11. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	31st March, 2019	31st March, 2018
<b>a. Stock at the beginning of the year</b>		
Finished Goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
<b>Total a</b>	-	-
<b>b. Stock at the end of the year</b>		
Finished Goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
<b>Total b</b>	-	-
<b>Changes in inventories (a-b)</b>	-	-

Notes to the Financial Statements for the year ended 31st March, 2019

12. Employee benefit expenses

Particulars	31st March, 2019	31st March, 2018
a. Salaries and wages	568,224	716,391
b. Contribution to provident and other funds	-	-
c. Share based payment to employees	-	-
d. Staff welfare expense	1,700	10,880
e. Director remuneration	21,000	-
<b>Total</b>	<b>590,924</b>	<b>727,271</b>

13. Finance Costs

Particulars	31st March, 2019	31st March, 2018
a. Interest	1,677,909	-
b. Dividend on redeemable preference shares Exchange difference regarded as an adjustment to borrowing costs	-	-
c. Borrowing costs	-	-
d. Bank charges	6,064	4,321
e. Other borrowing costs	-	-
<b>Total</b>	<b>1,683,973</b>	<b>4,321</b>

14. Other expenses

Particulars	31st March, 2019	31st March, 2018
<b>a. Payment to auditor as</b>		
1. For statutory audit	120,250	120,250
2. For taxation matters	-	-
3. For other services	-	-
4. For reimbursement of expenses		
<b>Total</b>	<b>120,250</b>	<b>120,250</b>
<b>b. Other Expenses</b>		
1. Advertisement exp	20,669	29,920
2. Donation	1,111	-
3. Registrar fees	154,653	265,201
4. Printing & Stationery	89,685	9,172
5. Rent, rates & taxes		51,182
6. Bad debts w/o	9,977,492	-
7. Legal & professional fees	50,300	95,499
8. Internal audit fee	18,000	22,500
9. Postage & courier	-	

**Notes to the Financial Statements for the year ended 31st March, 2019**

Particulars	31st March, 2019	31st March, 2018
10. Insurance premium		2,000,000
11. Telephone exp	12,033	-
12. Annual membership fee of stock exchange	300,000	287,500
13. Miscellaneous exp	27,069	2,658,709
14. Directors sitting fees	83,000	-
<b>Total</b>		<b>5,539,933</b>

**15 No contract on capital account remains to be executed**

16	Particulars	As on 31.03.2019	As on 31.03.2018
16a	<b>Contingent Liabilities</b>	Nil	Nil
16b	<b>Foreign Exchange Difference (Net) Debited to Profit and Loss for the Year</b>	Nil	Nil

17 Balances of Sundry Customers, Suppliers, Loan-Given and Taken, Deposits-Given and Taken, Advance to Suppliers and others are subject to confirmation

18 The Company has not received information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid/payable and other disclosures to be made u/s 22 of the above Act have not been given.

19 In determining Earning Per Share (EPS)(IND AS 33), the Company has considered net profit after tax. The Number of Shares used for determining Basic EPS is the total Number of Shares issued and fully paid up as at 31.03.2018 and for Year Ended 31.03.2017

20 No disclosure is required under IND AS 105 on – Non-current Assets Held for Sale and Discontinued Operations as the Company has not discontinued any line of its activity /product during the year

21 Ind AS 24 - Related Party Disclosures

Related Parties pursuant to Ind AS 24-Related Party Disclosures

List of Related Parties as defined under IND AS 24

Name of Related Parties	Nature of Relationship	Transaction entered during the year
Nikita Hardik Parekh	Director	Yes (Director sitting fees only)
Shanker Lal Pancholia	Director	No
Vishal Jagannath Sonawane	Director	Yes (Director sitting fees only)
Vijayshreekrishnatdesai	Managing Director	Yes-Remuneration
KajolTak	Company Secretary	No
Amit Gulecha	Ex Managing Director	No
Girriraj Kishor Agarwal	Ex Promoter Director	No

**Notes to the Financial Statements for the year ended 31st March, 2019**

<b>Name of Related Parties</b>	<b>Nature of Relationship</b>	<b>Transaction entered during the year</b>
Vindo Prabhu	Chief Financial officer	Yes-Remuneration of Rs 1,26,961
Agarwal Bullion Limited	Associate company	No
Axon Ventures Limited	Promoter	No
Banas Finance Limited	Group company	No
Handful Investrade Pvt Ltd	Promoter	Yes
Kayaguru Capital Market Pvt Ltd	Group company	Yes
Proaim Enterprises Ltd	Promoter	No
Rockon Enterprises Limited	Promoter	No
Rockon Capital Market Pvt Ltd	Group company	Yes
SaloniGirraj Kishor Agarwal	Relative of Ex Director	No
Tanu Giriraj Kishor Agarwal	Ex Promoter Director	No
Tilak Ventures ltd	Promoter	No
Prajna Naik	Ex Company Secretary	No
Swati Shinde	Ex Director	No
Unno Industries Ltd	Dircetor Nikita parekh is director	No
Tirupati Tyres ltd	Common Directors	Yes-Rs 15,000 paid to Tirupati Tyre Ltd

**Transaction with related parties during FY 2018-19**

<b>Nature of Transactions</b>	<b>Name of related party</b>	<b>Nature of relationship</b>	<b>Amount</b>	<b>Nature of outstanding</b>	<b>Outstanding Amount</b>
Acceptance of unsecured loans	Handful Investrade Pvt Ltd	Promoter	4,200,000	NIL	NIL
Repayment of unsecured loans taken	Handful Investrade Pvt Ltd	Promoter	4,200,000	NIL	NIL
Interest Exp	Handful Investrade Pvt Ltd	Promoter	330,066	NIL	NIL
Acceptance of unsecured loans	Kayaguru Capital Market Pvt Ltd	Group company	11,295,000	NIL	NIL
Repayment of unsecured loans taken	Kayaguru Capital Market Pvt Ltd	Group company	11,295,000	NIL	NIL
Interest Exp	Kayaguru Capital Market Pvt Ltd	Group company	982,705	NIL	NIL
Giving of unsecured loans	Tirupati tyres ltd	Common Directors	15,000	Receivable	15,000
Acceptance of unsecured loans	Rockon capital market pvt ltd	Group company	3,020,000	NIL	NIL
Repayment of unsecured loans taken	Rockon capital market pvt ltd	Group company	3,020,000	NIL	NIL
Interest Exp	Rockon capital market pvt ltd	Group company	245,673	NIL	NIL



## Notes to the Financial Statements for the year ended 31st March, 2019

## Transaction with related parties during FY 2017-18

Sr No	Name of related party	Nature of Transactions	Amount
1	Giriraj Kishor Agarwal	Other exp paid on behalf of company	7,200
2	Tilak Ventures Ltd	Loan given	5,500,000
3	Tilak Ventures Ltd	Loan recovered	5,500,000
4	Tilak Ventures Ltd	Interest	2,836
5	Kayaguru Capital Market Pvt Ltd	Shares Sold	1,400,000
6	Rockon capital market pvt ltd	Shares Sold	7,700,000
7	Rockon capital market pvt ltd	Loan received	1,000,000
8	Rockon capital market pvt ltd	Loan repaid	900,000
9	Rockon capital market pvt ltd	Balance at the end of the year	100,000
10	Proaim Enterprises Ltd	Loan given	3,900,000
11	Proaim Enterprises Ltd	Loan recovered	3,900,000
12	Handful Investrade Pvt Ltd	Loan received	1,600,000
13	Handful Investrade Pvt Ltd	Loan repaid	1,600,000
14	Handful Investrade Pvt Ltd	Shares Sold	900,000
15	Vindo Prabhu	Salary	215,149

## 22. Operating segments – IND AS 108

Sr. No.	Segments	Finance & Securities	Finance & Securities	Trading	Trading
		FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
1	Segment Revenue	11,708,940	9,992,621	-	8,555,600
2	Segment Results	(624,000)	7,374,698	-	(1,017,800)
3	Segment Assets	192,477,956	191,541,923	-	-
4	Segment Liabilities	195,131	265,629	-	-

## 23. Managerial Remuneration

Particulars	As on 31.03.2019	As on 31.03.2018
Directors Remuneration to whole time directors	21,000	-
Sitting fees	83,000	Nil
<b>Total</b>	<b>104,000</b>	<b>-</b>

## Managerial Remuneration

Particulars	As on 31.03.2019	As on 31.03.2018
Vijashreedesai, MD	21,000	-
<b>Total</b>	<b>21,000</b>	<b>-</b>

**Notes to the Financial Statements for the year ended 31st March, 2019**

**Sitting Fees**

Particulars	As on 31.03.2019	As on 31.03.2018
Nikita hardik parekh	75,000	-
Vishal sonawane	8,000	-
<b>Total</b>	<b>83,000</b>	<b>-</b>

**24 Cash Flow Statement is prepared in accordance with the requirements of IND AS 7 Statement of Cash Flows**

**25 Figures of Previous years have been regrouped and reclassified where ever necessary for better presentation and to comply with disclosure requirements of IND AS**

**26 FINANCIAL RISK MANAGEMENT**

**a) Risk Management Framework**

In the Ordinary Course of business, the Company is exposed to a different extent to a variety of financial risks: foreign currency risk, interest rate risk, liquidity risk, price risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instrument.

**b) Credit Risk**

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

The carrying amount of financial assets represents the maximum credit exposure. The Company monitors credit risk very closely both. The Management impact analysis shows credit risk and impact assessment as low

**Trade and other receivables**

Credit risk is the risk that a customer may default or not meet its obligations to the Company on a timely basis, leading to financial losses to the Company. The Management has an advance collection/credit policy criteria in place and the exposure to credit risk is monitored on an on going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Before accepting a new customer, the Company uses an internal credit system to assess the potential customers credit quality and defines credit limits separately for each individual customer. The gross carrying amount of trade receivable as on 31.03.2019 is NIL (P Y NIL). Investments are reviewed for any fair valuation loss on periodically basis and necessary provision/fair valuation adjustments have been made based on the valuation carried by the management to the extent of available resources, the management does not expect any investment counterparty to fail to meet its obligations.

Trade Receivables, Trade Payables, Short Term Borrowings and Short Terms Loans and Advances balances are subject to confirmation and reconciliation

**c) Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by mating the maturity profiles of financial assets and liabilities.

**27 Employee Benefits**

Provision for retirement benefits to employees is not provided on accrual basis, which is not in conformity with IND AS 119 and the amount has not been quantified as the actuarial valuation report is not available. However, in the opinion of the Management the amount involved is negligible and has no material impact on the Profit/(Loss)

**Notes to the Financial Statements for the year ended 31st March, 2019****28 Valuation of Investments in Unquoted Shares**

As the Intention is to hold the unquoted securities for sale in short term and in absence of flow of periodic date, absence of liquidity and market related data closing stock of unquoted shares are valued at cost

**29 Loans and Advances**

Majority of the loans given are demand loans, therefore in some cases the terms of repayment and loan agreement are not available. In view of the management all the loans outstanding are considered goods except to the extent provided for. Non recoverable loans are appropriately written off as Bad Debts. Demand and other Loans given are governed by the Board policies. Considering the close monitoring of Board, no appraisal , renewal, Policies , Procedure, Committee or documents have been prescribed and executed.

**30 Compliance with Section 45IA of the RBI Act,1934**

The financial assets of the Company constitute more than 50% of the total assets of the Company. Financial Income of the Company during the year exceeds 50% of the gross income of the Company. Hence the Company is required to be registered u/s 45-IA of the RBI Act, 1934 during the Current Year

**For KSPM& ASSOCIATES**  
Chartered Accountants  
Firm RegnNo. 104723W

CA Sanjay N Shah  
Partner  
Membership number: 116251

Date: 30th May, 2019  
Place: Mumbai

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

VijayshreeDesai  
DIN-08198477  
Managing Director& CFO

Nikita Parekh  
DIN-06800141  
Director

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**ATTENDANCE SLIP****CIN: L74110MH2010PLC201249****Name of the Company:** Five X Tradecom Limited**Regd. Office:** B1/A, Utkarsh Co-Op. Hsg. Society Ltd., M. A. Road, Andheri West, Mumbai 400058.**Website:** www.fivexfinance.com**E-mail:** fivexfinance@gmail.com

(Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.)

DP Id *		Client Id*	
Regd. Folio No.		No. of Shares	

\*Applicable for shares held in electronic form

Name(s) and address of the shareholder / Proxy in full: \_\_\_\_\_

I/we hereby record my/our presence at the 10th Annual General Meeting of the Company being held on Monday, the 30th day of September, 2019 at 1.00 P.M. at B1/A, Utkarsh Co-Op. Hsg. Society Ltd., M. A. Road, Andheri West, Mumbai 400058.

Please (√) in the box

MEMBER  PROXY

\_\_\_\_\_  
Signature of Shareholder / Proxy



**Notes to the Financial Statements for the year ended 31st March, 2019****Form No. MGT-11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration) Rules, 2014]

**CIN: L74110MH2010PLC201249****Name of the Company:** Five X Finance Limited**Regd. Office:** Office No. B1/A, Utkarsh Co-Op. Hsg. Society Ltd., M. A. Road, Andheri West, Mumbai 400058.**Website:** www.fivexfinance.com**E-mail:** fivexfinance@gmail.com

Name of the member(s)	
Registered address	
E-mail Id	
Folio No. / Client Id	
DP ID	

I/We, being the member(s) of ..... shares of the above-named Company, hereby appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mailId: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mailId: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mailId: \_\_\_\_\_ 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 \_\_\_ Annual General Meeting of the Company, to be held on 30th day of September, 2019 at 1:00 P.M. at B1/A, Utkarsh Co-Op. Hsg. Society Ltd., M. A. Road, Andheri West, Mumbai 400058, and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Description of Resolutions
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Mrs. Vijayshree Krishnat Desai (DIN: 08198477) who retires by rotation and being eligible, offers herself for re-appointment.

**Notes to the Financial Statements for the year ended 31st March, 2019**

<b>No.</b>	<b>Description of Resolutions</b>
3.	Appointment of Statutory Auditors to fill casual vacancy
<b>Special Business</b>	
4.	Authorizing board of directors for borrowing monies and authorization limit to secure the borrowings under section 180(1)(c) and 180(1)(a) respectively, of the Companies Act, 2013.
5.	Regularization of Additional Director, Mr. Vinod Kacharu Mokal, by appointing him as Director of the Company
6.	Consent of Members to approve limits for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate
7.	Approval to deliver document through a particular mode as may be sought by the member
8.	Approval Of Related Party Transaction

Signed this ..... day of ..... 2019

Signature of shareholder(s)

Signature of Proxy holder(s)

Affix Revenue Stamp
---------------------------

**Notes:**

1. 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.
2. Any alteration or correction made to this Proxy form must be initialed by the signatory / signatories.



**Notes to the Financial Statements for the year ended 31st March, 2019****Form No. MGT-12  
POLLING PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

**Name of the Company:** Five X Finance Limited

**Registered Office:** B1/A, Utkarsh Co-Op. Hsg. Society Ltd., M. A. Road, Andheri West, Mumbai 400058

**BALLOT PAPER**

SN	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered folio No./*Client ID No. (Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
	<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and Auditors thereon. <b>(Ordinary Resolution).</b>			
2	To appoint a Director in place of Mrs. Vijayshree Krishnat Desai (DIN: 08198477) who retires by rotation and being eligible, offers herself for re-appointment. <b>(Ordinary Resolution).</b>			
3	Appointment of Auditors to fill Casual Vacancy <b>(Ordinary Resolution).</b>			
	<b>Special Business</b>			
4.	Authorizing board of directors for borrowing monies and authorization limit to secure the borrowings under section 180(1)(c) and 180(1)(a) respectively, of the Companies Act, 2013. <b>(Special Resolution).</b>			
5.	Regularization of Additional Director, Mr. Vinod Kacharu Mokal, by appointing him as Director of the Company <b>(Special Resolution).</b>			
6.	Consent of Members to approve limits for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate. <b>(Special Resolution).</b>			
7.	Approval to deliver document through a particular mode as may be sought by the member. <b>(Special Resolution).</b>			
8.	Approval Of Related Party Transaction. <b>(Special Resolution).</b>			

Place:  
Date:

(Signature of the shareholder)

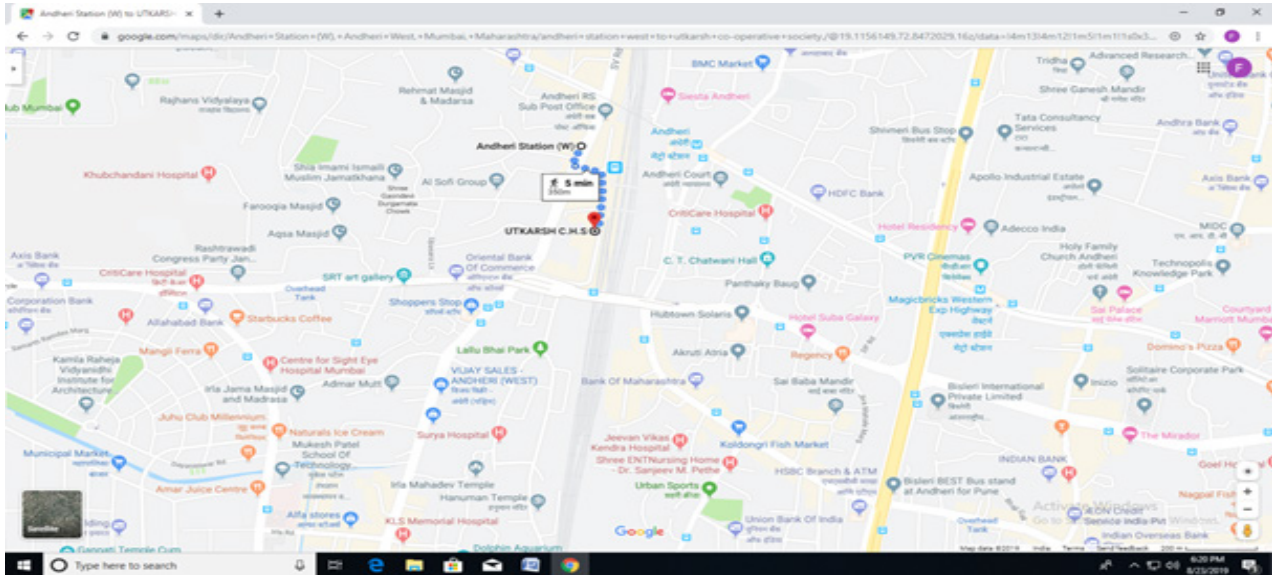
### Route Map for the AGM Venue

#### Five X Tradecom Limited

B1/A, Utkarsh Co-Op. Hsg. Society Ltd., M. A. Road, Andheri West, Mumbai 400 058.

Email Id: [fivexfinance@gmail.com](mailto:fivexfinance@gmail.com)

Website: [www.fivexfinance.com](http://www.fivexfinance.com)





## BOOK POST

**Registered Office**

**B1/A, Utkarsh Co-Op. Hsg. Society Ltd., M. A. Road, Andheri West, Mumbai 400**

**Tel: 022-28020019/17**

**Email Id:** [fivexfinance@gmail.com](mailto:fivexfinance@gmail.com)

**Website:** [www.fivexfinance.com](http://www.fivexfinance.com)