

DIRECTORS' REPORT TO THE SHAREHOLDERS

To
The members
SFSL COMMODITY TRADING PRIVATE LIMITED

Your Directors present the Annual Report of the Company together with the audited statements of Accounts of the Company for the year ended 31.03.2020.

OPERATING RESULTS

The year ended 31st March, 2020, has been a challenging year for the Company. Highlights of the performance of the Company is provided as under -

| Particulars | (Amount in Rs.) | |
|--|---|---|
| | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Income from Operations | - | - |
| Other Income | 19,31,159 | 18,17,379 |
| Profit (Loss) before Taxation | 15,17,357 | 9,05,168 |
| Less : Tax Expenses/Adjustment | 2,43,871 | 8,22,397 |
| Profit (Loss) after Taxation | 12,73,486 | 82,770 |
| Balance brought forward from previous year | 65,56,516 | 64,73,745 |
| Balance carried forward to Balance Sheet | 78,30,000 | 65,56,516 |

The Company has discontinued commodity trading activities (Membership with MCX) from April 1, 2019 considering overall profitability and risks associated with commodity trading.

Other Income includes Income from Rent Rs. 9,00,000/- (previous year Rs. 9,00,000/-) and interest received amounting to Rs. 8,10,574/- (Previous year Rs. 9,17,379/-).

Profit after Taxation during the year is Rs. 12,73,486/- (Previous Year Rs. 82,770/-).

RESERVES

During the year under review, no amount was transferred to General Reserve.

DIVIDEND

In order to utilize the funds for future growth, your Directors refrain from recommending any dividend for the year under review.

SHARE CAPITAL

During the year, there was no change in the Authorised as well as Issued, subscribed and Paid-up capital of the Company.

DIRECTORS

In accordance with provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Bijay Murmuria, Director of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for reappointment. Your directors recommend his re-appointment as Directors of your Company, subject to retirement by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departure;
- (ii) and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and profits of the Company for the year ended on that date;
- (iii) that Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS

During the year, Four (4) Board Meetings were convened and held on 17-May-19, 09-Aug-19, 05-Nov-19, and 08-Feb-20.

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186(4) of the Companies Act, 2013 [the Act] are provided in the Notes to Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties pursuant to subsection (1) of Section 188 of the Companies Act, 2013 furnished in Form AOC -2, is attached to this report as **Annexure - I**.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

CASH FLOW STATEMENT

Cash Flow Statement for the year ended 31st March, 2020, as required pursuant to Companies Act, 2013 is annexed herewith.

GOING CONCERN STATUS

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

MATERIAL CHANGES AND COMMITMENTS

Except closure of commodity broking operations of the Company, there has not been any material change and commitment affecting the financial position of the Company between the end of the financial year 2019-20 and the date of the Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company's internal control system is commensurate with its size, scale and its business operations. The Board of Directors quarterly reviews the status of compliance and performance of the Company. A Report on Internal Financial Controls System pursuant to section 143(3)(i) of the Companies Act, 2013 is part of the Auditors' Report.

RISK MANAGEMENT

Your Company avoided risky exposures resulting in low revenue and profit during the year and decided to close its commodity trading activity.

ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as **Annexure - II**.

COST AUDIT

The Company is not engaged in production of goods or providing services pursuant to Section 148 of the Act and therefore not required to comply with the requirements thereunder.

AUDITORS AND AUDIT REPORT

Messrs. ARSK & Associates, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 20th Annual General Meeting of the Company held on 16th September, 2016 for a period of 5(five) consecutive years (from financial year 2016-17 to 2020-21). The board approved their continuation as Statutory Auditors of the Company for the financial year 2020-21.

There is no qualification, reservation or adverse remark made by Messrs. ARSK & Associates, the Statutory Auditors of the Company in their Report pertaining to the year ended 31st March, 2020.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

FOREIGN EXCHANGE EARNING AND OUTGO

Earning and Outgo in foreign currency during the year was nil.

PARTICULARS OF EMPLOYEES

There was no employee in receipt of remuneration coming under purview of Section 197 of the Companies Act, 2013 and rules made thereunder.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Since there was no employee in the Company, there were no cases/ complaints reported in this regard during the financial year under report.

FRAUD

There has been no case of fraud in the Company during the financial year under report.

SECRETARIAL STANDARDS

The Board of Directors hereby affirms that your Company has adhered to the Secretarial Standards as prescribed by the Institute of Company Secretaries of India during the financial year under report.

APPRECIATION

We acknowledge our appreciation to Shareholders, Bankers, Regulators, Multi-Commodity Exchange, and Clients for their continued support. We look forward to the future with confidence and stand committed to creating a brighter future for all shareholders.

On behalf of the Board

Place : Kolkata
Date : June 25, 2020

Sd/- BIJAY MURMURIA
Chairman
DIN: 00216534

Annexure – I

FORM AOC – 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereof.

1. Details of contracts or arrangements or transactions not at arm's length basis:

| Sl. No. | Name of the related party and nature of relationship | Nature of contracts / arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient features of contracts / arrangements/ transactions, including value, if any | Justification for entering into such contacts/ arrangements/ transactions | Date of approval by the Board | Amount paid as advance, if any | Date on which special resolution was passed in General meeting u/s. 188(1) |
|---------|--|--|--|---|---|-------------------------------|--------------------------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1. | Nil | | | | | | | |

2. Details of contracts or arrangements or transactions at arm's length basis:

| Sl. No. | Name(s) of the related party and nature of relationship | Nature of contracts / arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient features of contracts / arrangements/ transactions, including value, if any | Justification for entering into such contacts/ arrangements/ transactions | Date of approval by the Board | Amount paid as advance, if any | Date on which special resolution was passed in General meeting u/s. 188(1st proviso) |
|---------|---|--|--|--|---|-------------------------------|--------------------------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1. | Sumedha Fiscal Services Ltd. (Holding Company) | Rental (Receivable) | Subsisting arrangement | Office space at Flat No. 7E, Geetanjali Apartments, 8B Middleton Street, Kolkata – 700 071. Rent – Rs. 9,00,000/- | Unused Office space rented to the Holding Company | Note 1 | | Not applicable |

Note : Existing contracts/arrangements at the date of commencement of the Section 188 of the Companies Act, 2013 [i.e. April 1, 2014]

**Annexure – II
FORM NO. MGT-9**

Extract of Annual Return as on the financial year ended on 31 March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|---|--|
| (i) CIN | U65999WB1996PTC077314 |
| (ii) Registration Date | 16/02/1996 |
| (iii) Name of the Company | SFSL COMMODITY TRADING PRIVATE LIMITED |
| (iv) Category / Sub-Category of the Company | Company limited by shares / Indian Non-Government Company |
| (v) Address of the Registered office and contact details | 8B Middleton Street, 7E, Geetanjali Apartment, Kolkata - 700071. Phone : 033-2229-8936 Fax : 033-2226-4140 Email :sfsl.commodity@gmail.com |
| (vi) Whether listed company | No |
| (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | Not applicable |

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:-

| Sl. No. | Name and Description of main products / services | NIC Code of the product / service | % to total turnover of the Company |
|---------|--|-----------------------------------|------------------------------------|
| 1. | Rental Income | 99721121 | 46.60 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and address of the company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|--------|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1. | Sumedha Fiscal Services Ltd. | L70101WB1989PLC047465 | Holding | 99.98 | 2(87) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---------------|---------------|-------------------|---|---------------|---------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individuals/ HUF | - | 160 | 160 | 0.0184 | - | 160 | 160 | 0.0184 | 0.0000 |
| b) Central Govt. | | | | | | | | | |
| c) State Govt.(s) | | | | | | | | | |
| d) Bodies Corp. | - | 868065 | 868065 | 99.9770 | - | 868065 | 868065 | 99.9770 | 0.0000 |
| a) Banks / FI | | | | | | | | | |
| e) Any Others... | | | | | | | | | |
| Sub Total(A)(1) :- | - | 868225 | 868225 | 99.9954 | - | 868225 | 868225 | 99.9954 | 0.0000 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | | | | | | | | | |
| b) Other - Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks/FI | | | | | | | | | |
| Any Others..... | | | | | | | | | |
| Sub Total(A)(2) | - | 0 | 0 | 0 | - | 0 | 0 | 0 | 0.0000 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | - | 868225 | 868225 | 99.9954 | - | 868225 | 868225 | 99.9954 | 0.0000 |
| B. Public shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt. | | | | | | | | | |
| d) State Govt.(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| Sub-Total (B)(1) | - | - | - | - | - | - | - | - | - |
| (2) Non-institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i. Indian | | | | | | | | | |
| ii. Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital up to Rs 1 lakh | - | 40 | 40 | 0.0046 | - | 40 | 40 | 0.0046 | 0.0000 |
| ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | | | | | | | | | |
| c) Others (Specify) | | | | | | | | | |
| Non Resident Individual | | | | | | | | | |
| Clearing Member | | | | | | | | | |
| Sub-Total (B)(2) :- | | | | | | | | | |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | - | 40 | 40 | 0.0046 | - | 40 | 40 | 0.0046 | 0.0000 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A)+(B)+(C) | - | 868265 | 868265 | 100.0000 | - | 868265 | 868265 | 100.0000 | 0.0000 |

ii) Shareholding of Promoters

| Sl. No. | Shareholders' Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change 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. | Sumedha Fiscal Services Ltd. | 868065 | 99.9770 | - | 868065 | 99.9770 | - | - |
| 2. | Sri Vijay Maheshwari | 100 | 0.0115 | - | 100 | 0.0115 | - | - |
| 3. | Sri BijayMurmuria | 60 | 0.0069 | -- | 60 | 0.0069 | - | - |
| | Total | 868225 | 99.9954 | - | 868225 | 99.9954 | - | - |

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

| Sl. No. | Name of the Promoters | 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 |
| 1. | Sumedha Fiscal Services Ltd. | | | | |
| | At the beginning of the year | 868065 | 99.9770 | | |
| | At the end of the year | | | 868065 | 99.9770 |
| 2. | Sri Vijay Maheshwari | | | | |
| | At the beginning of the year | 100 | 0.0115 | | |
| | At the end of the year | | | 100 | 0.0115 |
| 3. | Sri Bijay Murmuria | | | | |
| | At the beginning of the year | 60 | 0.0069 | | |
| | At the end of the year | | | 60 | 0.0069 |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

| Sl. No. | For each of the Top 10 Shareholders | 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 |
| 1. | Mr. Rajendra Prashad Sharma | | | | |
| | At the beginning of the year | 10 | 0.0012 | | |
| | At the end of the year | | | 10 | 0.0012 |
| 2. | Mr. Deb Kumar Sett | | | | |
| | At the beginning of the year | 10 | 0.0012 | | |
| | At the end of the year | | | 10 | 0.0012 |
| 3. | Mr. Girdhari Lal Dadhich | | | | |
| | At the beginning of the year | 10 | 0.0012 | | |
| | At the end of the year | | | 10 | 0.0012 |
| 4. | Mr. Asis Mukhopadhyay | | | | |
| | At the beginning of the year | 10 | 0.0012 | | |
| | At the end of the year | | | 10 | 0.0012 |

v) **Shareholding of Directors and Key Managerial Personnel :**

| Sl. No. | For each of the Directors and KMP | 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 |
| 1. | Sri Vijay Maheshwari | | | | |
| | At the beginning of the year | 100 | 0.0115 | | |
| | At the end of the year | | | 100 | 0.0115 |
| 2. | Sri Bijay Murmura | | | | |
| | At the beginning of the year | 60 | 0.0069 | | |
| | At the end of the year | | | 60 | 0.0069 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i. Principal Amount | - | - | - | - |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i +ii + iii) | - | - | - | - |
| Change in indebtedness during the financial year | | | | |
| • Addition | - | - | - | - |
| • Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | - | - | - | - |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i +ii + iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Name of MD / WTD / Manager | Total Amount |
|---------|---|-----------------------------|--------------|
| 1. | Gross Salary | --No such Director-- | |
| | (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) Profit 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 | | |
| | Total (A) | | |
| | Ceiling as per the Act | | |

B. Remuneration to other directors : Nil

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-----------|--|-----------------------|-------------------|---------------------------|--------------|
| | | Mr. Vijay Maheshwari | Mr. Bijay Murmura | Mr. Prashant Sekhar Panda | |
| 1. | Independent Directors | <i>Not applicable</i> | | | |
| | • Fee for attending board /committee meeting | | | | |
| | • Commission | | | | |
| | • Others, please specify | | | | |
| | Total (1) | | | | |
| 2. | Other Non-Executive Directors | <i>Not applicable</i> | | | |
| | • Fee for attending board /committee meeting | | | | |
| | • Commission | | | | |
| | • Others, please specify | | | | |
| | Total (2) | | | | |
| | Total (B) = (1+2) | | | | |
| | Total Managerial Remuneration | 0 | 0 | 0 | |
| | Overall Ceiling as per the Act | | | | |

D. Remuneration to Key Managerial Personnel other than MD/Manager/WTD - Nil

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel (KMP) | | | Total Amount |
|---------|---|--------------------------------|-------------------|--------|--------------|
| | | CEO * | Company Secretary | CFO ** | |
| 1. | Gross Salary | <i>No KMP in the Company</i> | | | |
| | (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) Profit 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 | | | | |
| | Total (A) | - | - | - | - |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OFFENCES :

There has been no penalty, punishment or compounding offences for the year ended 31st March, 2020.

Place : Kolkata

Date : 25th June, 2020

On behalf of the Board

Sd/- BIJAY MURMURIA
Chairman
DIN: 00216534

INDEPENDENT AUDITOR'S REPORT

To the Members of **SFSL COMMODITY TRADING PRIVATE LIMITED**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **SFSL COMMODITY TRADING PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

"Other Information"

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.]

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

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

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

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

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

ARSK & ASSOCIATES

CHARTERED ACCOUNTANTS

22, R.N.MUKHERJEE ROAD
THIRD FLOOR, KOLKATA-
700001

TEL : (91) (33) 4006-3380

FAX : (91) (33) 4006-3385

E-mail: info@arsk.in

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

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.
- iii. There are no such amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Reg. No. : 315082E

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place: Kolkata
Date: 25th June, 2020

Annexure – 1 to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the **SFSL COMMODITY TRADING PRIVATE LIMITED** on the financial statements for the year ended 31st March 2020.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company did not have any inventory at any time during the year hence paragraph 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
3. According to the information and explanation given to us the company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies' Act, 2013.
(a) The terms and condition of the grant of such loan are not prejudicial to the company's interest.
(b) In respect of aforesaid unsecured loan, the receipt of principal and interest is regular.
(c) There are no overdue for more than ninety days in respect of the loans granted to the Company.
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, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and the books and records examined by us, the company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Service Tax, Cess and other material statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

ARSK & ASSOCIATES

CHARTERED ACCOUNTANTS

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THIRD FLOOR, KOLKATA-
700001

TEL : (91) (33) 4006-3380

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- (b) According to the information and explanations given to us, there are no material dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it, which have not been deposited with the appropriate authorities on account of any dispute.
8. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
9. In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer and term loans during the year. Accordingly, paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. All transactions with the related parties held in the Company are in compliance with section 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. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. In our opinion and as per information and explanation provided the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **ARSK & ASSOCIATES**

Chartered Accountants

Firm's Reg. No. : 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place: Kolkata

Date: 25th June, 2020

SFSL Commodity Trading Pvt Ltd
Balance Sheet as at 31st March, 2020

(Amount in '00)

| Particulars | Notes | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------|----------|---------------------------|---------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Property, Plant and Equipment | 1 | 105.57 | 110.31 |
| Investment property | 2 | 19,413.98 | 19,903.98 |
| Financial Assets | | | |
| Investments | 3 | 3,047.74 | 3,047.74 |
| Loans | 4 | 1,17,945.75 | 1,28,064.96 |
| Others | 5 | - | 5,000.00 |
| Deferred tax assets (net) | 6 | 4,658.27 | 4,730.30 |
| Non-Current Tax Assets(net) | | - | 77.19 |
| Total Non Current Assets | | 1,45,171.30 | 1,60,934.48 |
| Current Assets | | | |
| Financial Assets | | | |
| Investments | 7 | 42,205.85 | - |
| Cash & Cash Equivalents | 8 | 9,302.44 | 7,043.30 |
| Other Bank Balances | 9 | - | 8,500.00 |
| Other Financial Assets | 10 | - | 7,901.75 |
| Other Current Assets | 11 | - | 16.20 |
| Total Current Assets | | 51,508.29 | 23,461.25 |
| Total Assets | | 1,96,679.59 | 1,84,395.73 |
| EQUITY AND LIABILITIES | | | |
| A) EQUITY | | | |
| Equity Share Capital | 12 | 86,826.50 | 86,826.50 |
| Other Equity | 13 | 1,08,859.75 | 96,124.90 |
| Total Equity | | 1,95,686.25 | 1,82,951.40 |
| B) LIABILITIES | | | |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Other financial liabilities | 14 | 175.00 | 1,268.84 |
| Other Current Liabilities | 15 | 135.00 | 175.50 |
| Current tax liabilities (net) | | 683.34 | - |
| Total Current Liabilities | | 993.34 | 1,444.34 |
| Total Equity and Liabilities | | 1,96,679.59 | 1,84,395.73 |
| Significant Accounting Policies | A - B.18 | | |
| Notes to the Financial Statements | 1 to 29 | | |

As per our report on even date attached

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm Registration No. 315082E

For and on behalf of the Board of Directors

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 25th June 2020

SFSL Commodity Trading Pvt Ltd

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

(Amount in '00)

| SI No. | Particulars | Notes | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|------------|---|-------|-------------------------------------|-------------------------------------|
| | INCOME | | | |
| | Other Income | 16 | 19,311.59 | 18,173.79 |
| I | Total Income | | 19,311.59 | 18,173.79 |
| | EXPENSES | | | |
| | Employee Benefits Expense | 17 | 2,045.50 | 5,320.18 |
| | Finance Costs | 18 | - | 788.33 |
| | Depreciation / Amortisation Expense | 19 | 494.72 | 494.72 |
| | Other Expenses | 20 | 1,597.80 | 2,518.88 |
| II | Total Expenses | | 4,138.02 | 9,122.11 |
| III | Profit Before Tax | | 15,173.57 | 9,051.68 |
| | Tax Expenses | | | |
| | Current Tax | | 2,367.08 | 1,741.54 |
| | Deferred Tax | | (624.74) | 6,438.84 |
| | Tax adjustments relating to earlier years | | (0.40) | - |
| | MAT credit utilisation u/s 115JAA | | 696.77 | 43.59 |
| IV | Profit for the year | | 12,734.86 | 827.70 |
| V | Other Comprehensive Income: | | | |
| | i. Items that will not be reclassified to Statement of Profit or Loss | | - | - |
| | Total Other Comprehensive Income | | - | - |
| | Total Comprehensive Income for the period (comprising profit/loss and Other Comprehensive Income for the period) | | 12,734.86 | 827.70 |
| | Earnings per equity share of face value of Rs 10 each | | | |
| | Basic (in Rs) | 22 | 1.47 | 0.10 |
| | Diluted (in Rs) | | 1.47 | 0.10 |

As per our report on even date attached

For ARSK & ASSOCIATES

Chartered Accountants

Firm Registration No. 315082E

For and on behalf of the Board of Directors

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 25th June 2020

SFSL Commodity Trading Pvt Ltd
Statement Of Cash Flow For The Year Ended 31st March, 2020

(Amount in '00)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Cash flow from operating activities | | |
| Profit before income tax | 15,173.57 | 9,051.68 |
| Adjustments for | | |
| Depreciation expense | 494.72 | 494.72 |
| Net gain on fair value changes | (1,205.85) | - |
| Interest paid | - | 788.33 |
| Interest received | (8,105.74) | (9,173.79) |
| Income from Operating Activities before changes in Operating Assets and Taxes | 6,356.70 | 1,160.94 |
| (Increase)/decrease in other financial assets | 10,119.21 | 3,742.85 |
| (Increase)/decrease in other current assets | 16,417.95 | 443.43 |
| Increase/(decrease)in other current liabilities | (451.00) | 1,134.34 |
| (Increase)/decrease in other non-current assets | 4,394.23 | 1,058.72 |
| Cash generated from operations | 36,837.09 | 7,540.28 |
| Income taxes paid | 1,683.69 | 1,741.54 |
| Net cash inflow from operating activities | 35,153.40 | 5,798.74 |
| Cash flows from investing activities | | |
| Interest received | 8,105.74 | 9,173.79 |
| Loans given | - | (22,683.94) |
| (Purchase)/ sale of investments | (41,000.00) | - |
| Net cash outflow from investing activities | (32,894.26) | (13,510.15) |
| Cash flows from financing activities | | |
| Interest paid | - | (788.33) |
| Net cash inflow (outflow) from financing activities | - | (788.33) |
| Net increase (decrease) in cash and cash equivalents | 2,259.14 | (8,499.74) |
| Cash and cash equivalents at the beginning of the financial year | 7,043.30 | 15,543.04 |
| Cash and cash equivalents at end of the year | 9,302.44 | 7,043.30 |

Reconciliation of cash and cash equivalents as per the statement of cash flow

Cash and cash equivalents as per above comprise of the following:-

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Balances with banks | 9,282.54 | 6,503.20 |
| Cash on hand | 19.90 | 540.10 |
| Balances per statement of cash flows | 9,302.44 | 7,043.30 |

Note: The cashflow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cashflows

As per our report on even date attached

For and on behalf of the Board of Directors

For ARSK & ASSOCIATES

Chartered Accountants

Firm Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 25th June 2020

SFSL Commodity Trading Pvt Ltd
Statement of Changes in Equity for the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL

| Balance at the end of the reporting period i.e. 31st March 2020 | Changes in equity share capital during the year 2019-20 | Balance at the end of the reporting period i.e. 31st March,2019 | Changes in equity share capital during the year 2018-19 | Balance at the end of the reporting period i.e. 31st March,2018 |
|---|---|---|---|---|
| 86,826.50 | - | 86,826.50 | - | 86,826.50 |
| 86,826.50 | - | 86,826.50 | - | 86,826.50 |

B. OTHER EQUITY

| Particulars | Reserves and Surplus | | Other Comprehensive Income | Total |
|---|----------------------------|-------------------|----------------------------|--------------------|
| | Securities Premium Reserve | Retained Earnings | | |
| | (Rs) | (Rs) | (Rs) | (Rs) |
| Balance at the end of the reporting period i.e. 31st March, 2019 | 58,413.00 | 65,565.15 | (27,853.26) | 96,124.90 |
| Total Comprehensive Income for the period | - | 12,734.86 | - | 12,734.86 |
| Balance at the end of the reporting period i.e. 31st March, 2020 | 58,413.00 | 78,300.00 | (27,853.26) | 1,08,859.75 |

| Particulars | Reserves and Surplus | | Other Comprehensive Income | Total |
|---|----------------------------|-------------------|----------------------------|------------------|
| | Securities Premium Reserve | Retained Earnings | | |
| | (Rs) | (Rs) | (Rs) | (Rs) |
| Balance at the end of the reporting period i.e. 31st March, 2018 | 58,413.00 | 64,737.45 | (27,853.26) | 95,297.20 |
| Total Comprehensive Income for the period | - | 827.70 | - | 827.70 |
| Balance at the end of the reporting period i.e. 31st March, 2019 | 58,413.00 | 65,565.15 | (27,853.26) | 96,124.90 |

As per our report on even date attached

For ARSK & ASSOCIATES
Chartered Accountants
Firm Registration No. 315082E

For and on behalf of the Board of Directors

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 25th June 2020

SFSL Commodity Trading Pvt Ltd
Notes forming part of the Financial Statements for the year ended 31st March,2020

A General information

SFSL Commodity Trading Pvt Ltd is a Private Limited Company incorporated in India. The Company was a trading member of Multi Commodity Exchange of India Ltd. engaged in providing brokerage facility. During the year, the company surrendered its membership vide its letter dated 01st April, 2019 and accepted on 19th September, 2019. Accordingly, the company has now ceased its business of broking in Commodities. The company is exploring various business opportunities, pending which the fund have been temporarily invested in various schemes of mutual fund and have advanced short term temporary loans.

B Significant accounting policies

B.1 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

B.2 Basis of preparation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) **Level 3** inputs are unobservable inputs for the asset or liability.

Functional and Presentational Currency

These financial statements are presented in Indian Rupee (INR) which is also the functional currency. Unless otherwise stated, all amounts are rounded to nearest rupee in hundred.

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements for the year ended 31st March,2020

Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities and contingent assets at the date of financial statement and the results of operation during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or the notes to the financial statements.

B.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification based on criteria set out in Ind AS 1 - Presentation of financial statements and Schedule III to the Companies Act, 2013. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

B.4 Revenue /Income recognition

Revenue is measured at the fair value of consideration received or receivable.

a) Rendering of services: Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction.

b) Interest Income: Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

B.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management. Expenditures directly relating to construction activity are capitalised.

SFSL Commodity Trading Pvt Ltd**Notes forming part of the Financial Statements for the year ended 31st March,2020**

Depreciation on property, plant and equipment is provided using the straight line method at the rates specified in Schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

B.6 Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

B.7 Cash and Cash Equivalentents

For the purpose of presentation in the statement of cash flows, cash and cash equivalentents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

B.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent Liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly in the control of the company are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the financial statements.

Contingent Assets are not recognized in the financial statements, the nature of such assets and an estimate of its financial effect are disclosed in notes to the financial statements.

B.9 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.

SFSL Commodity Trading Pvt Ltd
Notes forming part of the Financial Statements for the year ended 31st March,2020

Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recognised at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets is dependent on initial categorisation. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics.

Financial assets measured at amortised cost

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Trade Receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

Financial assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

SFSL Commodity Trading Pvt Ltd**Notes forming part of the Financial Statements for the year ended 31st March,2020****Financial liabilities****Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

SFSL Commodity Trading Pvt Ltd**Notes forming part of the Financial Statements for the year ended 31st March,2020****B.10 Impairment****Financial assets**

The Company recognises loss allowances, if any, using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL is measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Non-financial assets

Non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

B.11 Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

B.12 Equity index/stock- Futures

Initial margin and additional margin paid, for entering into contracts for equity index/stock futures, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets, Loans and Advances.

Equity index/stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Current Assets, Loans and Advances or Current Liabilities, respectively represents the net amount paid or received on the basis of movement in the prices of index/stock futures till the balance sheet date.

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements for the year ended 31st March,2020

As on the balance sheet date, profit/loss on open positions in index/stock futures are accounted for as follows :

- Profit and loss on hedged transactions are recognized on net basis. In respect of other transactions, credit balance being anticipated profit is ignored and no credit for the same is taken in the profit and loss account. Debit balance being anticipated loss is adjusted in the profit and loss account.
- On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognised in the profit and loss account.

B.13 Equity index/stock – Options

Initial margin and additional margin paid for entering into contracts for equity index/stock options, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets, Loans and Advances.

As at the balance sheet date, profit and loss account on hedged transactions is recognized on net basis. In case of other transactions, in the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the balance sheet date, and in the case of short positions, for the amount by which premium prevailing on the balance sheet date exceeds the premium received for those options. The premium paid or received as the case may be, after the aforesaid provision, is disclosed in Current Assets or Current Liabilities.

B.14 Accounting for Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

SFSL Commodity Trading Pvt Ltd**Notes forming part of the Financial Statements for the year ended 31st March,2020**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets/liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary and associate where in case of assets it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised and in case of liabilities the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

B.15 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

B.16 Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

SFSL Commodity Trading Pvt Ltd**Notes forming part of the Financial Statements for the year ended 31st March,2020****B.17 Leases**

Ind AS 116 defines a lease term as the non -cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

B.18 Investment Properties

Since there is no change in the functional currency, the company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The company depreciates building component of investment property over 30 years from the date of original purchase.

The company, based on management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the company, measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

1. Property, Plant And Equipment

| Description | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Carrying Amount | | |
|------------------------|--------------------------|-----------------------------------|---------------------------------|------------------------------|-----------------------------|------------------------------|---------------------|----------------------------------|------------------------------|
| | As at 1st April, 2019 | Additions during the period | Disposals during the year | As at 31st March, 2020 | As at 1st April, 2019 | Depreciation for the year | | Disposal during the period | As at 31st March, 2020 |
| Tangible Assets | | | | | | | | | |
| Computers | 103.82 | - | - | 103.82 | - | - | - | - | 103.82 |
| Office Equipment | 67.71 | - | - | 67.71 | 61.24 | 4.72 | - | 65.96 | 1.75 |
| Total | 171.53 | - | - | 171.53 | 61.24 | 4.72 | - | 65.96 | 105.57 |

| Description | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Carrying Amount | | |
|------------------------|--------------------------|-----------------------------------|---------------------------------|------------------------------|-----------------------------|------------------------------|---------------------|----------------------------------|------------------------------|
| | As at 1st April, 2018 | Additions during the period | Disposals during the year | As at 31st March, 2019 | As at 1st April, 2018 | Depreciation for the year | | Disposal during the period | As at 31st March, 2019 |
| Tangible Assets | | | | | | | | | |
| Computers | 103.82 | - | - | 103.82 | - | - | - | - | 103.82 |
| Office Equipment | 67.71 | - | - | 67.71 | 56.52 | 4.72 | - | 61.24 | 6.49 |
| Total | 171.53 | - | - | 171.53 | 56.52 | 4.72 | - | 61.24 | 110.31 |

2. Investment Property

| Description | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Carrying Amount | | |
|--------------|--------------------------|-----------------------------------|---------------------------------|------------------------------|-----------------------------|------------------------------|---------------------|----------------------------------|------------------------------|
| | As at 1st April, 2019 | Additions during the period | Disposals during the year | As at 31st March, 2020 | As at 1st April, 2019 | Depreciation for the year | | Disposal during the period | As at 31st March, 2020 |
| Buildings | 21,373.98 | - | - | 21,373.98 | 1,470.00 | 490.00 | - | 1,960.00 | 19,413.98 |
| Total | 21,373.98 | - | - | 21,373.98 | 1,470.00 | 490.00 | - | 1,960.00 | 19,413.98 |

| Description | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|--------------|--------------------------|-----------------------------------|---------------------------------|------------------------------|-----------------------------|------------------------------|----------------------------------|------------------------------|---------------------|
| | As at 1st April, 2018 | Additions during the period | Disposals during the year | As at 31st March, 2019 | As at 1st April, 2018 | Depreciation for the year | Disposal during the period | As at 31st March, 2019 | |
| Buildings | 21,373.98 | - | - | 21,373.98 | 980.00 | 490.00 | - | 1,470.00 | 19,903.98 |
| Total | 21,373.98 | - | - | 21,373.98 | 980.00 | 490.00 | - | 1,470.00 | 19,903.98 |

SFSL Commodity Trading Pvt Ltd

**Notes forming part of the Financial Statements
For the year ended 31st March, 2020**

Information regarding income and expenditure of investment property

| | |
|---|----------|
| Rental income derived from investment properties | 9,000.00 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 90.94 |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | - |
| Profit arising from investment properties before depreciation and indirect expenses | |
| Less – Depreciation | 490.00 |
| Profit arising from investment properties before indirect expenses | 8,419.06 |

The company's investment properties consist of a commercial property in India. The management has determined that the investment properties consist of office – based on the nature, characteristics and risks of each property.

Reconciliation of Fair Value :

| | <u>31.03.2020</u> | <u>31.03.2019</u> |
|-------------------------------------|--------------------------|--------------------------|
| Market Value of investment property | 1,64,080.00 | 1,64,080.00 |

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements
For the year ended 31st March, 2020

| 3 | Non Current Investments | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|------------------------|-----------------|------------------------|-----------------|
| | | No. of Shares | Amount | No. of Shares | Amount |
| | Investments measured at Fair value through OCI, Unquoted, fully paid up | | | | |
| | Seasoft Solutions Pvt Ltd | 34,120 | 44.36 | 34,120 | 44.36 |
| | US Infotech Private Limited | 85,098 | 3,003.39 | 85,098 | 3,003.39 |
| | Total of Investments measured at Fair value through Other Comprehensive Income | | 3,047.74 | | 3,047.74 |
| | Total Non Current Investments | | 3,047.74 | | 3,047.74 |

Cost of equity instrument have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurement and the value as appearing in financial statement represent the best estimate of fair value within that range.

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements

For the year ended 31st March, 2020

| 4 | Loans | As at 31st March,2020 | As at 31st March,2019 |
|---|-------------------------------------|----------------------------------|----------------------------------|
| | (Unsecured, Considered Good) | | |
| | Loans to a related party | 99,874.75 | 1,08,927.36 |
| | Loans to other | 18,071.00 | 19,137.60 |
| | Total | 1,17,945.75 | 1,28,064.96 |

| 5 | Other Non Current Financial Assets | As at 31st March,2020 | As at 31st March,2019 |
|---|---|----------------------------------|----------------------------------|
| | Security Deposits | - | 5,000.00 |
| | Total | - | 5,000.00 |

| 6 | Deferred Tax Assets (Net) | As at 31st March,2020 | As at 31st March,2019 |
|---|--|----------------------------------|----------------------------------|
| | The movement on the deferred tax account is as follows | | |
| | At the start of the year | 4,730.30 | 11,212.74 |
| | Charge/ (credit) to Statement of Profit and Loss | (624.74) | 6,438.83 |
| | At the end of year | 4,658.27 | 4,730.30 |
| | Total | 4,658.27 | 4,730.30 |

Component of Deferred tax asset / liability

| Particulars | As at 31st March,2020 | As at 31st March,2019 |
|-------------------------------|----------------------------------|----------------------------------|
| Property, Plant and Equipment | (10.69) | (9.29) |
| Investment property | 1,695.20 | 1,502.60 |
| Carried forward losses | 2,363.92 | 1,930.41 |
| MAT Credit Entitlement | 609.84 | 1,306.60 |
| Total | 4,658.27 | 4,730.30 |

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements
For the year ended 31st March, 2020

| 7 | Current Investments | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|---|------------------------|------------------|------------------------|--------|
| | | No. of Units | Amount | No. of Units | Amount |
| | Investments measured at Fair value through Profit & Loss, fully paid | | | | |
| | <u>Investment in Mutual Fund</u> | | | | |
| | HDFC Liquid Fund - Regular Growth | 1,086.766 | 42,205.85 | | - |
| | Total of Investments measured at Fair value through Profit and Loss | | 42,205.85 | | - |
| | Total Current Investments | | 42,205.85 | | - |

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements
For the year ended 31st March, 2020

| | | | |
|----|--|-----------------------------------|-----------------------------------|
| 8 | Cash & Cash Equivalents | As at 31st March, 2020 | As at 31st March, 2019 |
| | Cash on Hand | 19.90 | 540.10 |
| | Balances with Banks -in current account | 9,282.54 | 6,503.20 |
| | Total | 9,302.44 | 7,043.30 |
| 9 | Other Bank balances | As at 31st March, 2020 | As at 31st March, 2019 |
| | Bank Deposit with maturity of more than 3 months but less than 12 months | - | 1,000.00 |
| | Balance held as bank deposits for margin money with Multi Commodity Exchange | - | 7,500.00 |
| | Total | - | 8,500.00 |
| 10 | Other Financial Assets | As at 31st March, 2020 | As at 31st March, 2019 |
| | (Unsecured, Considered Good) | | |
| | Margin held with Multi Commodity Exchange | - | 7,500.00 |
| | Interest Accrued on Loans, Deposit | - | 401.75 |
| | Total | - | 7,901.75 |
| 11 | Other Current Assets | As at 31st March, 2020 | As at 31st March, 2019 |
| | Balance with government authorities | - | 16.20 |
| | Total | - | 16.20 |

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements
For the year ended 31st March, 2020

| 12 | Equity Share Capital | As at 31st March, 2020 | | As at 31st March, 2019 | |
|----|---|------------------------|------------------|------------------------|------------------|
| | | Number | Amount(Rs) | Number | Amount(Rs) |
| | Authorised : Equity Shares of Rs. 10 each | 9,50,000 | 95,000.00 | 9,50,000 | 95,000.00 |
| | Issued, Subscribed & Paid up : Equity Shares of Rs. 10 each fully paid up | 8,68,265 | 86,826.50 | 8,68,265 | 86,826.50 |
| | Total | | 86,826.50 | | 86,826.50 |

12.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|------------------------|------------------|------------------------|------------------|
| | Number | Amount(Rs) | Number | Amount(Rs) |
| Shares outstanding at the beginning of the year | 8,68,265 | 86,826.50 | 8,68,265 | 86,826.50 |
| Shares outstanding at the end of the year | 8,68,265 | 86,826.50 | 8,68,265 | 86,826.50 |

12.2 Rights, preferences and restrictions attached to shares

The Company has only one class of issued shares i.e. Equity Shares having face value of Rs. 10 per share. Each holder of Equity Shares is entitled to vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

12.3 The details of Shareholders holding more than 5% shares:-

| Name of the Shareholder | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|------------------------|---------------|------------------------|---------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Sumedha Fiscal Services Ltd (Holding Company) | 8,68,065 | 99.98% | 8,68,065 | 99.98% |
| Total | 8,68,065 | 99.98% | 8,68,065 | 99.98% |

| 13 | Other Equity | As at 31st March, 2020 | | As at 31st March, 2019 | |
|----|--|------------------------|--------------------|------------------------|--------------------|
| | | | | | |
| | Securities Premium Reserve As per last Financial Statement | 58,413.00 | 58,413.00 | 58,413.00 | 58,413.00 |
| | Retained Earnings As per last Financial Statement Add: Profit for the year | 65,565.15 12,734.86 | 78,300.00 | 64,737.45 827.70 | 65,565.15 |
| | Other Comprehensive Income As per last Financial Statement Add: Movement in OCI (Net) during the year | (27,853.26) - | (27,853.26) | (27,853.26) - | (27,853.26) |
| | Total | | 1,08,859.75 | | 96,124.90 |

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements
For the year ended 31st March, 2020

| | | | |
|----|---|--|--|
| 14 | Other Financial Liabilities | As at 31st March, 2020 | As at 31st March, 2019 |
| | Payable for expenses | 175.00 | 138.50 |
| | Cheques overdrawn | - | 1,130.34 |
| | Total | 175.00 | 1,268.84 |
| 15 | Other Current Liabilities | As at 31st March, 2020 | As at 31st March, 2019 |
| | Statutory dues | 135.00 | 175.50 |
| | Total | 135.00 | 175.50 |
| 16 | Other Income | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| | Interest | | |
| | - Fixed Deposits | 272.14 | 794.88 |
| | - Income Tax Refund | - | 89.87 |
| | - Unsecured Loan | 7,833.60 | 8,289.04 |
| | Rent | 9,000.00 | 9,000.00 |
| | Refund of transaction charges paid to MCX | 1,000.00 | - |
| | Net gain on fair value changes | 1,205.85 | - |
| | Total | 19,311.59 | 18,173.79 |
| 17 | Employee Benefits Expense | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| | Salaries, wages and bonus | 2,045.50 | 5,320.18 |
| | Total | 2,045.50 | 5,320.18 |
| 18 | Finance Costs | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| | Interest | - | 788.33 |
| | Total | - | 788.33 |

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements
For the year ended 31st March, 2020

| 19 | Depreciation | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|----|-------------------------------------|--|--|
| | Depreciation of tangible assets | 4.72 | 4.72 |
| | Depreciation of investment property | 490.00 | 490.00 |
| | Total | 494.72 | 494.72 |

| 20 | Other Expenses | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|----|------------------------------|--|--|
| | Demat and depository charges | 17.70 | 610.70 |
| | Bank charges | 1.00 | 1.00 |
| | Insurance | - | 29.50 |
| | Membership charges | 300.00 | 300.00 |
| | Books & periodicals | 13.98 | 13.98 |
| | Travelling & conveyance | 235.20 | 733.45 |
| | Rates & taxes | 137.44 | 141.41 |
| | Professional charges | 70.00 | 10.00 |
| | Accounting charges | 285.00 | 285.00 |
| | Auditors' remuneration | 275.00 | 365.00 |
| | Filing fee | 20.00 | 15.00 |
| | Miscellaneous expenses | 242.48 | 13.84 |
| | Total | 1,597.80 | 2,518.88 |

| | Payments To Auditor | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--|------------------------------------|--|--|
| | PAYMENTS TO AUDITOR | | |
| | - Statutory Audit | 175.00 | 175.00 |
| | - Certification and Other Services | 100.00 | 190.00 |
| | Total | 275.00 | 365.00 |

| 21 | Tax Expense | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|----|--|--|--|
| | Current Income Tax | 2,367.08 | 1,741.54 |
| | Tax pertaining to earlier years | (0.40) | - |
| | MAT credit | 696.77 | 43.59 |
| | Deferred Tax: Relating to originating and reversal of temporary differences | (624.74) | 6,438.84 |
| | Income tax expense recognised in the statement of profit or loss | 2,438.71 | 8,223.98 |

SFSL Commodity Trading Pvt Ltd

Notes forming part of the Financial Statements

For the year ended 31st March, 2020

Reconciliation of tax expense with the accounting profit multiplied by domestic tax rate:

| | 31st March, 2020 | 31st March, 2019 |
|--|------------------|------------------|
| Accounting profit before income tax | 15,173.57 | 9,051.68 |
| Tax on accounting profit at statutory income tax rate 26% (March 31, 2019: 26%) | 3,945.13 | 2,353.44 |
| Other | (1,506.42) | 5,870.54 |
| Tax expense reported in the statement of Profit & Loss | 2,438.71 | 8,223.98 |

22 Earning Per Share

| Particulars | 31 March, 2020 | 31 March, 2019 |
|---|------------------|----------------|
| Net Profit/(Loss) attributable to Equity Shareholders | 12,734.86 | 827.70 |
| Weighted Average No. of Equity Shares | 8,68,065 | 8,68,065 |
| Nominal Value of Equity Shares | 10.00 | 10.00 |
| Basic / Diluted Earning Per Share | 1.47 | 0.10 |

SFSL Commodity Trading Pvt Ltd

**Notes forming part of the Financial Statements
For the year ended 31st March, 2020**

23 List of related parties with whom the Company has transacted during the year

i) Holding Company

M/s. Sumedha Fiscal Services Ltd

ii) Key Management Personnel

Mr. Vijay Maheshwari Director

Mr. Bijay Murmuria Director

Mr Prashant Sekhar Panda Director

iii) Enterprise owned or significantly influenced by Key Management Personnel and their relatives

US Infotech Private Limited

Transactions with related Parties during the year :

(Amount in '00)

| Nature of Transactions | Holding Company | Relatives of Key Management Personnel | Enterprise owned or significantly influenced by Key Management Personnel and their relatives | Total |
|-------------------------------|------------------------|--|---|-------------------------|
| Loan taken | - (17,000.00) | - - | - - | - (17,000.00) |
| Loan repaid | - (17,000.00) | - - | - - | - (17,000.00) |
| Loan given | - - | - - | - (24,500.00) | - (24,500.00) |
| Loans received back | - - | - - | 15,000.00 (4,500.00) | 15,000.00 (4,500.00) |
| Interest income | - - | - - | 6,608.20 (6,052.66) | 6,608.20 (6,052.66) |
| Interest expense | - (788.33) | - - | - - | - (788.33) |
| Rental income | 9,000.00 (9,000.00) | - - | - - | 9,000.00 (9,000.00) |

SFSL Commodity Trading Pvt Ltd

**Notes forming part of the Financial Statements
For the year ended 31st March, 2020**

Year end outstanding balances thereof, are as follows:-

(Amount in '00)

| Nature of Transactions | Holding Company | Relatives of Key Management Personnel | Enterprise owned or significantly influenced by Key Management Personnel and their relatives | Total |
|-------------------------------|------------------------|--|---|---------------|
| Balance receivable | - | - | 99,874.75 | 99,874.75 |
| | (-) | (-) | (1,08,927.37) | (1,08,927.37) |

Note:

The above transactions do not include reimbursement of expenses made / received during the year. Previous year figures are in the brackets.

Disclosure in respect of material related party transactions during the year:

| Particulars | 2020 | 2019 |
|---------------------------------|--------------------|--------------------|
| | Amount (Rs) | Amount (Rs) |
| Loan taken | | |
| Sumedha Fiscal Services limited | - | 17,000.00 |
| Loan repaid | | |
| Sumedha Fiscal Services limited | - | 17,000.00 |
| Loan given | | |
| US Infotech Private Limited | - | 24,500.00 |
| Loan received back | | |
| US Infotech Private Limited | 15,000.00 | 4,500.00 |
| Interest income | | |
| US Infotech Private Limited | 6,608.20 | 6,052.66 |
| Interest expense | | |
| Sumedha Fiscal Services limited | - | 788.33 |
| Rent received | | |
| Sumedha Fiscal Services limited | 9,000.00 | 9,000.00 |

Disclosure in respect of balances outstanding at the end of the year:

| Particulars | 2020 | 2019 |
|---------------------------|--------------------|--------------------|
| | Amount (Rs) | Amount (Rs) |
| Balance receivable | | |
| US Infotech Pvt Ltd | 99,874.75 | 1,08,927.37 |

**Notes forming part of the Financial Statements
For the year ended 31st March, 2020**

24 CAPITAL RISK MANAGEMENT

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

25 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Currently, the Company is having the fixed interest rate borrowings. Hence, there are very negligible chances of Interest Rate Risk.

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Notes forming part of the Financial Statements

For the year ended 31st March, 2020

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

- 26** There is no amount due to be credited to the Investors Education and Protection Fund as on 31st March, 2020
- 27** As the number of employees is less than 10, and as such no employee benefits are payable under any Statute or otherwise and as such the disclosure requirements under IND AS-19 is not applicable.
- 28** The Company has reclassified and regrouped previous years figure to confirm to this year's classification.

SFSL Commodity Trading Pvt Ltd
Notes forming part of the Financial Statements

29 Fair value measurements

Financial Instrument by category and hierarchy

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

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

- A Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
- B Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
- C The fair value of investment in quoted Equity Shares, Bonds, Government Securities, Treasury Bills and Mutual Funds is measured at quoted price or NAV.
- D The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as decided below:

Level - 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level - 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level - 3 - Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair value of financial assets and liabilities measured at fair value-

(Amount in '00)

| Particulars | 31 March, 2020 | | |
|-------------------------------|---------------------------------|---------------------------------|------------------|
| | Level of inputs used in Level 1 | Level of inputs used in Level 2 | Total Amount |
| Financial assets | | | |
| Investments | - | 3,047.74 | 3,047.74 |
| Cash and cash equivalents | 9,302.44 | - | 9,302.44 |
| Total financial assets | 9,302.44 | 3,047.74 | 12,350.19 |

(Amount in '00)

| Particulars | 31 March, 2019 | | |
|--|---------------------------------|---------------------------------|------------------|
| | Level of inputs used in Level 1 | Level of inputs used in Level 2 | Total Amount |
| Financial assets | | | |
| Investments | - | 3,047.74 | 3,047.74 |
| Cash and cash equivalents | 7,043.30 | - | 7,043.30 |
| Bank balances other than cash and cash equivalents | 8,500.00 | - | 8,500.00 |
| Total financial assets | 15,543.30 | 3,047.74 | 18,591.04 |

(Amount in '00)

| Particulars | 31 March, 2020 | | | |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------|
| | Level of inputs used in Level 1 | Level of inputs used in Level 2 | Level of inputs used in Level 3 | Total Amount |
| Financial Liabilities | | | | |
| Payable for expenses | - | - | 175.00 | 175.00 |
| Total financial Liabilities | - | - | 175.00 | 175.00 |

(Amount in '00)

| Particulars | 31 March, 2019 | | | |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------|
| | Level of inputs used in Level 1 | Level of inputs used in Level 2 | Level of inputs used in Level 3 | Total Amount |
| Financial Liabilities | | | | |
| Payable for expenses | - | - | 138.50 | 138.50 |
| Cheques overdrawn | - | - | 1,130.34 | 1,130.34 |
| Total financial Liabilities | - | - | 1,268.84 | 1,268.84 |

As per our report on even date attached

For ARSK & ASSOCIATES

Chartered Accountants

Firm Registration No. 315082E

For and on behalf of the Board of Directors

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 25th June 2020