

Nivedita

Mercantile & Financing Limited

**NIVEDITA MERCANTILE
AND
FINANCING LIMITED**

33rd ANNUAL REPORT

2017-2018

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sudarshan Somani
Mr. Gautam Panchal (w.e.f. 27th June, 2017)
Mrs. Lalitha Cheripalli (w.e.f. 18th May, 2018)
Mr. Devendra Khandelwal (upto 13th Nov, 2017)
Ms. Mayuri Jain (upto 18th May, 2018)

COMPANY SECRETARY

Ms. Shreya Shetty (w.e.f. 2nd Feb, 2018)
Ms. Mayuri Jain (upto 2nd Feb, 2018)

AUDITORS

Bagaria & Co., LLP
Chartered Accountants, Mumbai

BANKERS

Kotak Mahindra Bank Ltd.
Barclays Bank PLC

REGISTERED OFFICE

5th Floor, Sunteck Centre, 37-40,
Subhash Road, Vile Parle (East), Mumbai-400057
CIN: L51900MH1985PLC037039
Tel: 91 22 4287 7800 Fax: 91 22 4287 7890
E-mail: cosec@niveditaindia.com
Website: www.niveditaindia.com

REGISTRAR & TRANSFER AGENTS

Adroit Corporate Services Private Limited
1st Floor, 17/20, Jafferbhoy Industrial Estate,
Makwana Road, Marol Naka, Andheri (East), Mumbai - 400059.
Tel. No. 022-4227 0400 Fax No. 022-2850 3748
E-mail: support@adroitcorporate.com
Website: www.adroitcorporate.com

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DIRECTORS' REPORT

**To
The Members,
Nivedita Mercantile & Financing Limited**

Your Directors have the pleasure in presenting the 33rd Annual Report of the Company on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2018.

FINANCIAL RESULTS

The Company's performance during the financial year ended 31st March, 2018 as compared to the previous financial year, is summarised below:

(Rs. in Lakh except as stated)

Particulars	Standalone		Consolidated	
	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2018	For the year ended on 31.03.2017
Revenue from operations	1794.73	2060.02	1794.85	2059.85
Other Income	71.14	116.97	71.14	116.97
Total Revenue	1865.87	2176.99	1865.99	2176.82
Total Expenditure	1708.46	1900.75	1714.49	1906.36
Profit before tax (PBT)	157.41	276.24	151.50	270.46
Less: Income Tax Provision				
Current Tax	38.10	36.53	38.12	36.53
Excess/(Short)provision for tax	2.02	-	2.02	-
Deferred Tax	-	-	-	-
Profit before minority interest	117.29	239.71	111.36	233.93
Less: Minority interest	-	-	-	-
Profit After Tax	117.29	239.71	111.36	233.93
Balance brought forward from previous year	1650.39	1458.62	1643.88	1457.89
Surplus available for Appropriation	1767.68	1698.33	1755.22	1691.82
Less: Appropriations				
Proposed equity dividend	-	-	-	-
Tax on proposed equity dividend	-	-	-	-
Statutory Reserve Fund	23.46	47.94	(23.46)	47.94
Transfer to Capital Reserve	-	-	0.32	-
Surplus carried to Balance Sheet	1744.22	1650.39	1732.08	1643.88

PERFORMANCE

During the year under review, the consolidated revenue from operations for the current year amounted to Rs. 1794.85/-lakhs against Rs. 2059.85/- compared to the previous year. The profit after tax on consolidated basis stands at Rs.111.36/- lakhs as compared to Rs. 233.93/- lakhs during the previous year.

The revenue from operations earned is Rs. 1794.73/- lakhs compared to previous year's revenue of Rs. 2060.02/- lakhs on standalone basis. The profit after tax on standalone basis stands at Rs. 117.29/- lakhs as compared to Rs. 239.71/- lakhs during the previous year.

DIVIDEND

To strengthen the financial position of the Company, your Directors do not recommend any dividend for the period under consideration.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to reserves out of the profits earned during financial year 2017-18.

SHARE CAPITAL

During the year under review, the Company has not allotted any Equity Shares, thus the paid up Equity Share Capital of the Company remains the same i.e. 99,10,330 equity shares of Rs. 10/- each. Also, the Company has not issued shares with differential voting rights and sweat equity shares.

DEPOSITS

Your Company has not accepted any deposits from public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 or under Chapter V of the Companies Act, 2013.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The Company has 2 Subsidiaries i.e. V Can Exports Private Limited and Chitta Finlease Private Limited. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013.

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable accounting standards, issued by the Institute of Chartered Accountants of India, forms part of this Annual Report. In terms of section 136 of the Companies Act, 2013, financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company if so desired and said annual accounts will also be kept open for inspection at the Registered Office of the Company.

A statement containing the salient features of the financial statement of the subsidiaries in prescribed form AOC-1 as '**Annexure A**' is attached to the Financial Statements.

The Company has formulated a policy for determining 'material' subsidiaries and such policy is disclosed on Company's website. There are no material subsidiaries of the Company.

MATTERS RELATING TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Lalitha Cheripalli (DIN: 07026989) was appointed as an Additional Director of the Company on 18th May, 2018 to hold office till the conclusion of the upcoming Annual General Meeting and has offered herself for reappointment. Mr. Gautam Panchal (DIN: 07826634) was appointed as Independent Director of the Company by passing a resolution through Circulation by the Board of Directors on June 27, 2017.

Mr. Devendra Khandelwal (DIN: 07460858), resigned as Director of the Company with effect from November 13, 2017, in view of his other professional commitments. Further, Ms. Mayuri Jain (DIN:07434615), resigned as Director of the Company with effect from May 18, 2018, in view of her preoccupation. The Company places on record its appreciation and gratitude for the valuable contributions made by Mr. Devendra Khandelwal and Ms. Mayuri Jain during their tenure on the Board of the Company.

DECLARATIONS BY INDEPENDENT DIRECTORS

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Number of Meetings of the Board of Directors

During the year, four(4) Board meetings were convened and held, details of which are given in the Report on Corporate Governance forming part of the Annual Report. The Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

Additionally, during the financial year ended March 31, 2018, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Act, the Directors confirm that, to the best of their knowledge and belief:

- a. in the preparation of the annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors 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 on March 31, 2018 and of the profits of the Company for the year ended on that date;
- c. proper and sufficient care was taken 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;
- d. the annual Accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES OF THE BOARD

A) AUDIT COMMITTEE

An Audit Committee is in existence in accordance with the provisions of section 177 of the Companies Act, 2013 and the Listing Regulations. Further details on the Audit Committee are provided in the Report on Corporate Governance forming part of the Annual Report.

B) NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee is in existence in accordance with the provisions of sub-section (3) of section 178 and the Listing Regulations. Further details on the Nomination and Remuneration Committee are provided in the Report on Corporate Governance forming part of the Annual Report.

C) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the provisions of Section 135 of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee.

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link <http://www.niveditaindia.com/codes/policies>.

For details of the composition of the Committee, the CSR policy and other relevant details that are required to be disclosed under the provisions Section 134(3)(o) of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, kindly refer to 'Annexure B' hereto, which forms part of this report.

D) STAKEHOLDERS' RELATIONSHIP COMMITTEE

A Stakeholders' Relationship Committee is in existence in accordance with the provisions of sub-section (5) of Section 178 and the Listing Regulations. Further details on the Stakeholders' Relationship Committee are provided in the Report on Corporate Governance forming part of the Annual Report.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board is required to monitor and review the Board evaluation framework. The Evaluation process provides the manner in which the performance of Directors, as a collective body in the form of Board Committees and the Board functions and performs. The overall performance of the Board was satisfactory.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

PARTICULARS OF EMPLOYEES

During the Financial Year 17-18, there were no persons employed, for a part of the financial year who were in receipt of remuneration of not less than Rs. 8.5 lakhs p.m.

In accordance with the provisions contained in the proviso to section 136(1) of the Companies Act, 2013, the information required under section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection at the registered office of the Company during working hours for a period of twenty one days before the date of the Annual General Meeting.

COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to the provisions of the Companies Act, 2013, the Company has complied with the Secretarial Standard on the Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

TRANSFER OF UNCLAIMED DIVIDEND/ DEPOSITS AND SHARES TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, rules made there under and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto, the amount of dividend/deposits remaining unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) as constituted by the Central Government. Further, as per the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, the shares in respect of which the dividend has not been claimed for seven (7) consecutive years are required to be transferred by the Company to the designated Demat account of the IEPF Authority. The details of the unpaid/unclaimed dividend/deposits and the shares due to be transferred to the IEPF, are also uploaded as per the requirements, on the website of the Company i.e. <http://niveditaindia.com>.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism, which includes Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/ Whistle Blower policy are posted on the website of the Company and the weblink to the same is <http://www.niveditaindia.com>.

RISK MANAGEMENT

The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors together form the system that governs how the Group conducts the business of the Company and manages associated risks.

The approach is based on a clear understanding of the variety of risks that the organisation faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

RELATED PARTY TRANSACTIONS

The related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business and hence no particulars in form AOC-2 have been furnished.

However, during the year under review, your Company has entered into transactions with related parties which are material as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the details of said transactions are provided in the Notice of the Annual General Meeting for your approval.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <http://www.niveditaindia.com>.

Disclosure on related party transactions is provided in notes to financial statements as note no. 20(3).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11)(a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. Details of Loans, guarantees and investments given/made during the financial year under review are part of note no. 9 and 10 in the financial statements.

DISCLOSURES UNDER SECTION 134(3)(L) OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

AUDITORS

a) STATUTORY AUDIT

In compliance with provisions of section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Bagaria & Co. LLP, Chartered Accountants (Firm Registration No. 113447W/W-100019) were appointed as statutory auditors of the Company from the conclusion of twenty ninth annual general meeting (AGM) held on September 22, 2014 till the conclusion of the thirty fourth AGM to be held in the year 2019. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company.

Observations of statutory auditors on accounts for the year ended March 31, 2018:

There are no qualifications, reservations or adverse remarks made by M/s Bagaria & Co. LLP; Chartered Accountants, Statutory Auditors of the Company, in their report for the financial year ended March 31, 2018.

Pursuant to provisions of section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit and Compliance Committee during the year under review.

b) SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed, Veeraraghavan N., (Membership No.A6911) Company Secretary in Practice to undertake the Secretarial Audit of the Company. Secretarial Audit Report for the financial year 2017-18 issued by him in the prescribed form MR-3 is annexed as '**Annexure C**' to this Report. In respect of the observation made by the auditor in the report, Directors would like to state that the Company is in process of appointing Whole Time Director and CFO of the Company.

COST AUDIT

In compliance with provisions of Section 148 of the Companies Act, 2013 and the rules made thereunder and as amended from time to time, the requirement of cost audit and the maintenance of the cost records are not applicable to the Company.

OTHER DISCLOSURES

Other disclosures as per provisions of section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as '**Annexure D**'.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of activities the Company is engaged into the Company is not required to furnish information as required under the provisions of section 134(3)(m) of the Companies Act, 2013 read with the rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption.

Foreign Exchange Earnings and Outgo are as follows:

- i) Foreign Exchange Earned: NIL
- ii) Foreign Exchange Outflow: NIL

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2014

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has a policy and framework for employees to report sexual harassment cases at workplace and the process ensures complete anonymity and confidentiality of information.

SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

All documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents.

CORPORATE GOVERNANCE

The report on Corporate Governance and the certificate from the Statutory Auditors regarding compliance with the conditions of Corporate Governance have been furnished in the Annual Report and form a part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report has been separately furnished in the Annual Report and forms a part of the Annual Report.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation and gratitude for the co-operation and assistance from its shareholders, bankers, regulatory bodies and other business constituents.

Your Directors also wish to place on record their deep sense of appreciation for the contribution and commitment made by the employees.

For and on Behalf of the Board of Directors

Gautam Panchal
Director (DIN: 07826634)

Sudarshan Somani
Director(DIN: 00137568)

Lalitha Cheripalli
Director (DIN: 07026989)

Mumbai: 18th May, 2018

Annexure A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lakhs)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	Chitta Finlease Private Limited	V Can Exports Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2017 to March 31,2018	April 1, 2017 to March 31,2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
4.	Date since when subsidiary was acquired	14.01.2016	25.03.2015
5.	Share capital	1.00	1.00
6.	Reserves & surplus	(12.42)	10.26
7.	Total Assets	1744.33	11.49
8.	Total Liabilities	1744.33	11.49
9.	Investments	1743.64	-
10.	Turnover	-	-
11.	Profit before taxation	(6.03)	0.11
12.	Provision for taxation	-	0.03
13.	Profit after taxation	(6.03)	(0.08)
14.	Proposed Dividend	-	-
15.	% of shareholding	80.20	100

**For and on behalf of the Board of Directors
of Nivedita Mercantile and Financing Limited**

Sudarshan Somani
Director
(DIN: 00137568)

Lalitha Cheripalli
Director
(DIN: 07026989)

Gautam Panchal
Director
(DIN:07826634)

Place: Mumbai

Date: 18th May, 2018

Annexure - B

Annual Report on CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

2. Composition of the CSR Committee:

Name of the Director	Category	Position
Mr. Gautam Panchal	Non- Executive Independent Director	Chairman
Mr. Sudarshan Somani	Non- Executive Independent Director	Member
Ms. Lalitha Cheripalli	Non-Executive Director	Member

3. CSR Policy

Web link: <http://www.niveditaindia.com/codes/policies>

4. Average net profit of the Company for last three financial years:

Average net profit: Rs. 6,36,59,549/-.

5. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend Rs. 12,73,191/- towards CSR.

6. Details of CSR spend for the financial year:

- a) Total amount spent for the financial year: Rs. 32,000/-
- b) Amount unspent for the F. Y. 2017-2018, if any : Rs. 12,41,191/-
- c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs Wise	Amount spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or Indirect
1.	Contribution to CSR by promoting Education	Education	Mumbai	32,000	32,000	32,000	Direct

7. Reasons for failure to spend the two percent of the average net profit of the last three financial years or any part thereof:

The Company was in the process of identifying and evaluating Projects which were in line with the vision of the CSR Policy. As such all the projects would normally go through detailed evaluation process and assessed under agreed strategy and vision. However given the projects were still under the evaluation strategy, the Company could not spend the allocated amount. The Company has plans for meeting out the objectives and completing the identification of projects.

8. Responsibility statement

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

For and on Behalf of the Board of Directors

Gautam Panchal
Director (DIN: 07826634)

Sudarshan Somani
Director(DIN: 00137568)

Lalitha Cheripalli
Director (DIN: 07026989)

Mumbai: 18th May, 2018

Annexure - C
Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2018

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

To
The Members,
Nivedita Mercantile and Financing Limited
CIN: L51900MH1985PLC037039

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nivedita Mercantile and Financing Limited**(CIN: L51900MH1985PLC037039) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii). The Depositories Act 1996 and the Regulations and bye-laws framed thereunder;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading)Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi). Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-deposit taking Non Systemically Important NBFC which are specifically applicable to the Company.

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

- (i) Secretarial Standard issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

The Company has not appointed Whole-time Director and CFO.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views (if any) are captured and recorded as part of the minutes.

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

Veeraraghavan N.

ACS No.: 6911

CP No.: 4334

Place: Mumbai

Date: May 18, 2018

Annexure - D
FORM MGT-9

EXTRACT OF ANNUAL RETURN

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L51900MH1985PLC037039
Registration Date	05.08.1985
Name of the Company	Nivedita Mercantile & Financing Limited
Category/ Sub-Category of the Company	Company having Share Capital/Indian Non-Government Company
Address of the Registered Office and contact details	5th Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (E) Mumbai -400057 Tel. No.: 91 22 4287 7800 Fax No.: 91 22 4287 890 Email:cosec@niveditaindia.com Website : www.niveditaindia.com
Whether Listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Private Limited 19/20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol, Andheri (E), Mumbai- 400059 Tel. No.:91 22- 42270400 Fax No.:91 22- 28503748 Website: www.adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/Services	NIC code of the Product/ Service	% to total turnover of the Company
1.	This class includes financial service activities primarily concerned with making loans by institutions not involved in monetary intermediation (such as venture capital companies, industrial banks, investment clubs), where the granting of credit can take a variety of forms, such as loans.	64920	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	V Can Exports Private Limited	U51909MH2003PTC139722	Subsidiary Company	100.00	2(87)
2.	Chitta Finlease Private Limited	U65900MH1995PTC090846	Subsidiary Company	80.20	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I). i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year i.e. 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual /HUF	2122000	-	2122000	21.41	2122000	-	2122000	21.41	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	2430839	-	2430839	24.53	2430839	-	2430839	24.53	-
e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
f)	Any other-Trusts	1868332	-	1868332	18.85	1868332	-	1868332	18.85	-
Sub- Total(A) (1)		6421171	-	6421171	64.79	6421171	-	6421171	64.79	-
(2)	Foreign									
a)	NRI's- Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
Sub- Total(A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)		6421171	-	6421171	64.79	6421171	-	6421171	64.79	-
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Any other	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)		-	-	-	-	-	-	-	-	-
(2)	Non Institutions									
a)	Bodies Corporate									
i)	Indian	973451	930	974381	9.83	997448	930	998378	10.07	0.24
ii)	Overseas	-	-	-	-	-	-	-	-	-

b) Individuals										
i)	Individual (including HUF) Shareholders holding nominal share capital upto Rs.1 lakh	66222	29670	95892	0.97	42405	29670	72075	0.73	(0.24)
ii)	Individual (including HUF) Shareholders holding nominal share capital in excess of Rs.1 lakh	2418706	-	2418706	24.41	2418706	-	2418706	24.41	-
c)	Any Other- NRI / OCBs	180	-	180	-	-	-	-	-	(0.001)
Sub-Total (B)(2)		3458559	30600	3489159	35.21	3458559	30600	3489159	35.21	-
Total Public Shareholding (B)=(B)(1)+(B)(2)		3458559	30600	3489159	35.21	3458559	30600	3489159	35.21	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		9879730	30600	9910330	100.00	9879930	30600	9910330	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Akrur Khetan	545400	5.50	-	545400	5.50	-	-
2	Anupma Khetan	545400	5.50	-	545400	5.50	-	-
3	Astha Trust	491666	4.96	-	491666	4.96	-	-
4	Eskay Infrastructure Development Pvt. Ltd.	1045700	10.55	-	1045700	10.55	-	-
5	Glint Infraprojects Pvt. Ltd.	900000	9.08	-	415000	4.19	-	(4.89)
6	Krupa Family Private Trust	360000	3.63	-	360000	3.63	-	-
7	Kamal Khetan	325400	3.28	-	325400	3.28	-	-
8	Kamal Khetan HUF	325400	3.28	-	325400	3.28	-	-
9	Pariipurna Trust	267000	2.69	-	267000	2.69	-	-
10	Shraddha Trust	258000	2.60	-	258000	2.60	-	-
11	Manisha Khetan	380400	3.84	-	380400	3.84	-	-
12	Matrabhav Trust	491666	4.96	-	491666	4.96	-	-
13	SW Capital Pvt. Ltd.	485139	4.90	-	970139	9.79	-	4.89
	Total	6421171	64.79	-	6421171	64.79	-	-

(iii) Change in Promoters' Shareholding

Name of the Shareholder	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the Company
Glint Infraprojects Pvt. Ltd.				
At the beginning of the year	900000	9.08		
Decrease - Sale -03/04/2017	(200000)	(2.02)	700000	7.06
Decrease - Sale - 05/04/2017	(185000)	(1.87)	515000	5.19
Decrease - Sale - 07/04/2017	(100000)	(1.00)	415000	4.19
At the end of the Year			415000	4.19

Name of the Shareholder	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the Company
SW Capital Pvt. Ltd.				
At the beginning of the year	485139	4.90		
Increase - Buy - 03/04/2017	200000	2.02	685139	6.91
Increase - Buy - 05/04/2017	185000	1.87	870139	8.78
Increase - Buy - 07/04/2017	100000	1.00	970139	9.79
At the end of the Year			970139	9.79

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADR)

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year (01.04.2017)		Shareholding at the end of the year (31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mount Overseas Private Limited	291667	2.94	291667	2.94
2.	Dipti Shailesh Parekh	250000	2.52	250000	2.52
3.	Lalita Kamal Kishore Vyas	250000	2.52	250000	2.52
4.	Shailesh Popatlal Parekh	250000	2.52	250000	2.52
5.	Industele Services Private Limited	225000	2.27	225000	2.27
6.	Renu Rajesh Agarwal	208333	2.10	208333	2.10
7.	Matadi Advisory Services Private Limited	100000	1.01	100000	1.01
8.	Vanna Trading Company Private Limited	90000	0.91	90000	0.91
9.	Ritu Arvind Agarwal	83334	0.84	83334	0.84
10.	Ravi Shailesh Parekh	83333	0.84	83333	0.84
11.	Rushikesh Shailesh Parekh	83333	0.84	83333	0.84
12.	Suman Agarwal	83333	0.84	83333	0.84
13.	Rajesh Agarwal HUF	83333	0.84	83333	0.84

(v) Shareholding of Directors and Key Managerial Personnel:

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
At the beginning of the year	None of the Directors hold shares in the Company			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	None of the Directors hold shares in the Company			
At the end of the year	None of the Directors hold shares in the Company			

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment****(Rs. In Lakh)**

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5804.51	7950.43	-	13754.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	63.42	-	-	63.42
Total (i+ii+iii)	5867.93	7950.43	-	13818.36
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	(98.64)	(4588.86)	-	(4687.50)
Net Change	(98.64)	(4588.86)	-	(4687.50)
Indebtedness at the end of the financial year				
i) Principal Amount	5724.09	3361.57	-	9085.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	45.20	-	-	45.20
Total (i+ii+iii)	5769.29	3361.57	-	9130.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole- time Directors and /or Manager: Not Applicable****B. Remuneration to other Directors:****(Rs. In Lakh)**

Sr. No.	Particulars of Remuneration	Mr. Asim Santara*	Mr. Gautam Panchal	Mr. Sudarshan Somani	Total Amount
1.	Independent Directors				
	- Fee for attending Board/Committee Meetings	-	0.15	0.20	0.35
	- Commission	-	-	-	-
	- Others	-	-	-	-
	Total (1)	-	0.15	0.20	0.35

2.	Non-Executive Directors	Ms. Mayuri Jain	NIL
1.	- Fee for attending Board/Committee Meetings	-	
2.	- Commission	-	
3.	- Others	-	
	Total (2)	-	
	Total (B)= (1+ 2)		
	Overall Ceiling as per the Act	Within the limits as specified under Companies Act, 2013	

* Mr. Asim Santara resigned as Director of the Company w.e.f. 26th May, 2017.

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

(Rs. In Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mayuri Jain Company Secretary*	Shreya Shetty Company Secretary#
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	4.74	-
	(b) Value of perquisites under Section 17(2), Income Tax Act, 1961	-	-
	(c) Profits in Lieu of salary under Section 17 (3), Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of Profit - others	-	-
5.	Others	-	-
	Total	4.74	-

* Upto 2nd February 2018

W.e.f. 2nd February 2018

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					

C.OTHER OFFICERS IN DEFAULT	
Penalty	None
Punishment	
Compounding	

For and on Behalf of the Board of Directors

Gautam Panchal
Director (DIN: 07826634)

Sudarshan Somani
Director(DIN: 00137568)

Lalitha Cheripalli
Director (DIN: 07026989)

Mumbai: 18th May, 2018

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"), the report containing the details of the Governance systems and process at Nivedita Mercantile and Financing Limited is as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and system that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. This is vital to gain and retain investor trust.

Corporate Governance norms and processes ensure effective engagement with the changing business environment and always seek to ensure that its performance goals are met with integrity. Your Company considers it inherent responsibility to disclose timely and accurate information regarding financials and performance of the Company.

The Company is in compliance with the applicable requirement specified in Regulation 17 to Regulation 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

2. BOARD OF DIRECTORS

2.1. Composition of the Board:

As on March 31, 2018, the Company has Three (3) Directors, out of which Two (2) are Independent Directors who provide valuable guidance to the Management of the Company on various aspects of the Company's business operations. The composition of the Board is in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations, as amended from time to time.

2.2 Number of Board meetings held, dates on which held:

During the Financial year ended on March 31, 2018, the Board of Directors of the Company had met four times and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board meet are May 26, 2017, August 10, 2017, November 13, 2017 and February 2, 2018. The necessary quorum was present for all the meetings.

2.3 The names and categories of the Directors on the Board, their attendance at Board Meetings and at the last Annual General Meeting and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given below:

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM held on September 26, 2017	Number of Directorship in other Indian Public Limited companies as on March 31, 2018#	No. of Committee positions held in other Indian Public Limited companies as on March 31, 2018\$	
					Chairman	Member
Sudarshan Somani	Non- Executive, Independent	4	Yes	1	-	1
Devendra Khandelwal**	Non- Executive, Non Independent	3	No	N.A.	N.A.	N.A.
Asim Kumar Santara*	Non- Executive, Independent	0	N.A.	N.A.	N.A.	N.A.
Mayuri Jain	Non- Executive, Non Independent	4	Yes	1	-	-
Gautam Panchal***	Non- Executive, Independent	3	Yes	1	-	2

The Number of Directorships in other public limited companies includes Private Limited Companies which are Subsidiaries of the Public Limited Company.

*Mr. AsimSantara resigned as Director of the Company w.e.f May 26, 2017

** Mr. Devendra Khandelwal resigned as Director of the Company w.e.f. November 13, 2017

*** Mr. Gautam Panchal was appointed as Independent Director of the Company w.e.f. June 27, 2017

\$ Includes only Audit Committee and Stakeholders' Relationship Committee of Public limited companies (whether listed or not).

2.4 There are no inter-se relationships between the Board members.

2.5 Non-Executive Directors do not hold any shares of the Company.

2.6 The details of the familiarization programme of the Independent Directors are available on the website of the Company ([www.niveditandia.com/codesandpolicies/Familiarization programme of ID's](http://www.niveditandia.com/codesandpolicies/Familiarization%20programme%20of%20ID's)).

COMMITTEES OF THE BOARD

3. AUDIT COMMITTEE

The Company has a qualified and Independent Audit Committee which has been formed in alignment with provisions of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013. The Audit Committee comprises of three Non-Executive Directors having requisite accounting and financial management expertise. The Company Secretary officiates as the Secretary of the Committee.

During the financial year under review, four meetings of the Audit Committee were held i.e. on May 26, 2017, August 9, 2017, November 13, 2017 and February 2, 2018 and the gap between two meetings did not exceed one hundred and twenty days. The Committee is headed by Mr. Sudarshan Somani, Non-Executive Independent Director.

The Chairman of the Audit Committee attended the Company's AGM held on September 26, 2017.

The composition and attendance of the members of the Audit Committee as on March 31, 2018 is as follows:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Sudarshan Somani	Non- Executive, Independent	Chairman	4	4
Asim Kumar Santara*	Non- Executive, Independent	Chairman	-	-
Gautam Panchal**	Non- Executive, Independent	Member	2	2
Devendra Khandelwal***	Non- Executive, Non Independent	Member	3	3
Mayuri Jain	Non- Executive Non- Independent	Member	0	0

* Mr. Asim Santara resigned as Director of the Company w.e.f. May 26, 2017 and hence, ceased to be the Chairman and member of the Committee. Thereafter, Mr. Sudarshan Somani was appointed as Chairman of the Committee w.e.f 10th August, 2017.

** Mr. Gautam Panchal was appointed as Independent Director of the Company w.e.f 27th June, 2017 and became a member of the Committee w.e.f 10th August, 2017

*** Mr. Devendra Khandelwal resigned as Director of the Company w.e.f. November 13, 2017 and hence, ceased to be the member of the Committee.

Terms of Reference of Audit Committee:

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013. The Audit Committee is empowered with the responsibility of overseeing the entity's credibility and correctness of the financial reporting and disclosure processes, internal financial controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of Listing Regulations as well as section 178 of the Companies Act, 2013. The composition of Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

During the Financial Year under review, the Nomination and Remuneration Committee meetings were held on May 26, 2017 and February 2, 2018. The necessary quorum was present for all the meetings. The Committee is headed by Mr. Sudarshan Somani, Non-Executive Independent Director.

The composition of the members of the Nomination and Remuneration Committee as on March 31,2018 is as follows:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Sudarshan Somani	Non- Executive, Independent	Chairman	2	2
Asim Kumar Santara *	Non- Executive, Independent	Member	0	0
Gautam Panchal**	Non- Executive, Independent	Member	1	1
Devendra Khandelwal***	Non- Executive, Non Independent	Member	1	1
Mayuri Jain	Non- Executive, Non- Independent	Member	0	0

* Mr. AsimSantara ceased to be the Independent Director of the Company w.e.f. May 26, 2017 and hence, ceased to be a member of the Committee.

** Mr. Gautam Panchal was appointed as Independent Director of the Company w.e.f 27th June, 2017 and became a member of the Committee w.e.f 10th August, 2017

*** Mr. Devendra Khandelwal ceased to be Director of the Company w.e.f. November 13, 2017 and hence, ceased to be the member of the Committee.

Terms of Reference of Nomination and Remuneration Committee:

The purpose of this committee of the Board of Directors shall be to discharge the Board's responsibilities related to nomination and remuneration of the Company's executive / non-executive directors. The Nomination and Remuneration Committee assists in formulating criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifies the persons who are qualified to become Directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The Nomination and Remuneration Committee also evaluates the usefulness of such performance parameters, and makes necessary amendments.

Performance evaluation criteria for Independent Directors:

The performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated. The performance evaluation indicators includes participation and contribution by a director, monitoring the corporate governance practices, addressing business challenges and risks, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of judgments.

The Nomination and Remuneration Committee also reviews the performance of the Board of Directors at such regular intervals as may be necessary on the basis of performance evaluation indicators.

Remuneration Policy:

The Nomination and Remuneration Committee oversees the remuneration to be provided to the Directors and Senior Managerial Personnel and the major points relating to Remuneration policy are as follows:

A. Remuneration structure of Executive and Independent Directors:

- i. Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members) and commission as recommended by the Nomination and Remuneration Committee and approved by the Board and shareholders (wherever required) subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- ii. The total commission payable to the Independent Directors shall not exceed 3% of the net profit of the Company.
- iii. The remuneration/ compensation/ commission etc. to be paid to Managing Director/Whole-time Director/ Executive Director etc. shall be as per their employment contract/ terms of appointment, subject to the limits and conditions under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approval of the shareholders.

B. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management is as detailed hereunder:

- i. The compensation of KMP and Senior Management personnel shall be approved by the Nomination and

Remuneration Committee.

- ii. The Compensation of a KMP and Senior Management personnel is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.
- iii. The remuneration structure to KMPs and Senior Management personnel may include a variable performance linked component.

Details of Remuneration/Commission and fees paid to Executive and Non-Executive Directors for the FY 2017-18:

The Company has paid Rs. 35,000/- as sitting fees to Non -Executive Directors for attending the meeting of the Board of Directors during the financial year 2017-18.

Details of remuneration/commission and fees paid to Executive and Non-Executive Directors for the Financial Year 2017-18:

Independent Directors:

(Rs. In Lakhs)

Name of Director	Sitting Fees#
Gautam Panchal*	0.15
Sudarshan Somani	0.20

* Mr. Gautam Panchal was appointed as Independent Director on June 27, 2017.

No Commission was paid to Independent Directors during the Financial Year 2017-18.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

Criteria of making payments to Non-executive directors

Non- Executive Directors including Independent Directors may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a Director.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution of Stakeholders Relationship Committee and its functions:

The Stakeholders' Relationship Committee looks into shareholders' and investors' grievances. The Committee is headed by Mr. Gautam Panchal, Non-Executive Independent Director and consists of the members stated below. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with section 178 of the Act.

During the financial year under review, four meetings of the Stakeholders' Relationship Committee were held i.e. on May 26, 2017, August 9, 2017, November 13, 2017 and February 2, 2018. The necessary quorum was present for all the meetings. The Committee is headed by Mr. Gautam Panchal, Non-Executive Independent Director.

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting (AGM) held on September 26, 2017 to answer the queries of shareholders.

The composition and attendance of the members of the Stakeholders' Relationship Committee as on 31st March, 2018 is as follows:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Sudarshan Somani	Non- Executive, Independent	Member	4	4
Asim Kumar Santara*	Non- Executive, Independent	Member	0	0
Gautam Panchal**	Non- Executive, Independent	Chairman	2	2
Devendra Khandelwal***	Non- Executive, Non- Independent	Chairman	3	3
Mayuri Jain	Non- Executive, Non- Independent	Member	0	0

* Mr. Asim Santara ceased to be the Independent Director of the Company w.e.f. May 26, 2017 and hence, ceased to be a member of the Committee.

** Mr. Gautam Panchal was appointed as Independent Director of the Company w.e.f 27th June, 2017 and became a member of the Committee w.e.f 10th August, 2017. He was appointed as Chairman of the Committee w.e.f 13th November, 2017.

*** Mr. Devendra Khandelwal ceased to be Director of the Company w.e.f. November 13, 2017 and hence, ceased to be a member and Chairman of the Committee.

Terms of Reference of Stakeholders' Relationship Committee:

This Committee assists the Board and the Company in maintaining healthy relationships with all stakeholders. It oversees the mechanisms for redressing grievances and complaints from stakeholders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Details pertaining to the number of complaints received and responded and status thereof during the financial year 2017-18 are given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

Name, Designation and Address of the Compliance Officer:

Ms. Shreya Shetty
 Company Secretary
 Nivedita Mercantile and Financing Limited
 5th Floor, Sunteck Centre,
 37-40 Subhash Road,
 Vile Parle (East),
 Mumbai- 400057
 Tel no.:91 22 4287 7800

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Meeting of the CSR Committee was held on February 2, 2018 during the year under review. The necessary quorum was present for the meeting. The Committee is headed by Mr. Gautam Panchal, Non-Executive Independent Director.

The composition and attendance of the members of the CSR Committee as on the 31st March 2018 is as follows:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Devendra Khandelwal*	Non- Executive, Non Independent	Chairman	0	0
Asim Kumar Santara**	Non- Executive, Independent	Member	0	0
Sudarshan Somani	Non- Executive, Independent	Member	1	1
Gautam Panchal***	Non- Executive, Independent	Chairman	1	1

* Mr. Devendra Khandelwal ceased to be Director of the Company w.e.f. November 13, 2017 and hence, ceased to be a member and Chairman of the Committee.

** Mr. Asim Santara ceased to be the Independent Director of the Company w.e.f. May 26, 2017 and hence, ceased to be a member of the Committee.

*** Mr. Gautam Panchal was appointed as Independent Director of the Company w.e.f 27th June, 2017 and was appointed Chairman of the Committee w.e.f 10th August, 2017.

Role of CSR Committee:

The role of the CSR Committee, inter alia, includes the following:

1. To recommend to the Board CSR modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities in a Financial Year;
2. To monitor the Corporate Social Responsibility Policy from time to time;
3. To identify the projects to be undertaken by the Company for CSR;
4. To ensure compliance of CSR Policy;
5. Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of the Company.

INDEPENDENT DIRECTORS MEETING:

During the year under review, Independent Directors met on February 2, 2018, inter alia, to discuss:

- Review the Performance of Non Independent Directors and the Board of Directors as a whole;
- Review the Performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

8. GENERAL BODY MEETINGS

i. Annual General Meetings (AGM):

Date	Venue	Time	No. of Special Resolution Passed
26th September, 2017	Sunteck Centre, 37-40, Subhash Road, Vile Parle (East), Mumbai - 400057	11.30.am	None
29th September, 2016	Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057	10.00 a.m.	2
29th September, 2015	Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057	10.00 a.m.	None

ii. Extra-Ordinary General Meetings and Postal Ballot:

During the year, no EGM was convened nor any approval of the shareholders obtained through Postal Ballot.

9. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in Asian Age and Aapla Mahanagar and are also displayed on its website at the following web link <http://www.niveditaindia.com/>.

The official press releases and presentation made to Institutional Investors / Analysts, if any, are also available on the Company's website. All periodical information including the statutory filings and discussion are filed with BSE Limited.

10. GENERAL SHAREHOLDER INFORMATION

CIN No.	L51900MH1985PLC037039
Registered Office Address	Nivedita Mercantile and Financing Limited 5th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057 Tel No.:91 22 4287 7800

AGM: Date, Time and Venue	Wednesday, 26th September, 2018, 5.00 p.m. at Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057	
Financial Year	The financial year under review covers the period 1st April, 2017 to 31st March, 2018.	
	Accounting year	April to March
	Financial reporting for the quarter ending June 30, 2018	On or before 14th August, 2018
	Financial reporting for the half year ending September 30, 2018	On or before 14th November, 2018
	Financial reporting for the quarter ending December 31, 2018	On or before 14th February, 2019
	Financial reporting for the year ending March 31, 2019	On or before 30th May, 2019
Date of Book Closure	Friday, September 21, 2018 to Wednesday, September 26, 2018 (both days inclusive)	
Dividend Payment date	The Board has not recommended dividend for f.y. 2017-18.	
Listing on Stock Exchanges	BSE Limited, Mumbai The Company confirms that it has paid annual listing fees due to the Stock exchanges for the FY 2018-2019.	
Stock Code	BSE : 512381 ISIN:INE992I01013	
Registrar and Transfer Agent	Adroit Corporate Services Private Limited	
Share Transfer System	The share transfers which are received in physical form are processed by Registrar and Share Transfer Agent viz. Adroit Corporate Services Pvt. Ltd. and share certificates are dispatched within the time limit prescribed under the Listing Regulations.	
Dematerialisation of shares and liquidity	As of March 31, 2018, 98,79,730 Equity Shares of the Company (99.69%) are held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited.	
Outstanding GDRs / ADRs / Warrants or any Convertible instruments conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants during the year under review.	
Commodity Price risk/Foreign Exchange Risk and Hedging:	Not Applicable	
Plant Locations	The Company does not have any plant.	
Address for correspondence	<p>Shareholders should address correspondence to</p> <p>a. Registrar and Share Transfer Agents: Adroit Corporate Services Private Limited 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059 Tel No.:91 22- 42270400 Website: www.adroitcorporate.com</p> <p>b. Others: Nivedita Mercantile and Financing Limited 5th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057 Tel No.:91 22 4287 7800 Email ID: cosec@niveditaindia.com Website: www.niveditaindia.com</p>	

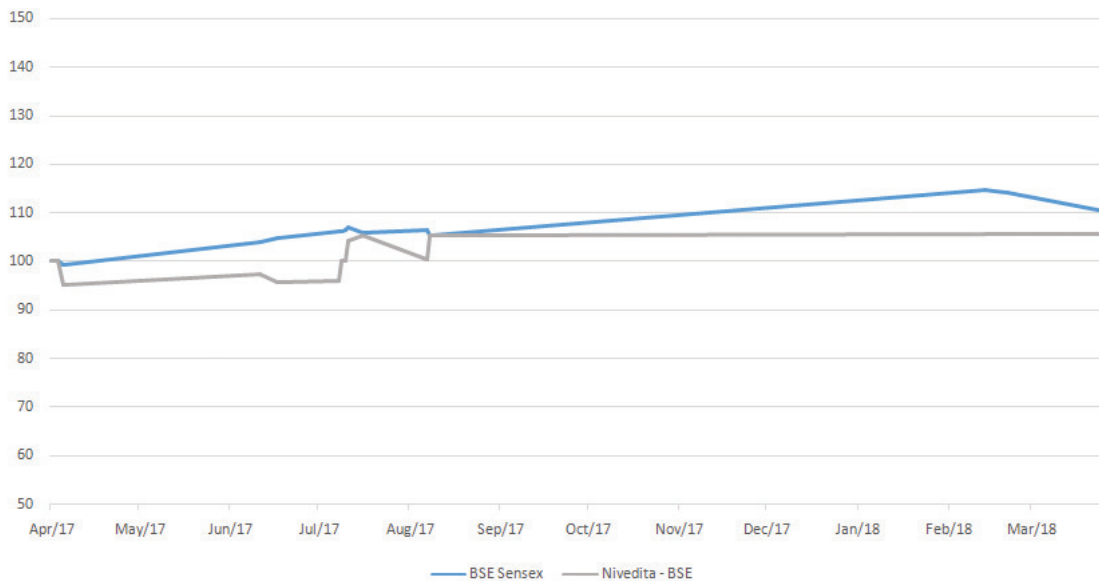
Stock Market Data:

Monthly high and low of the equity shares of the Company are as follows from April 2017 to March 2018:

S. No.	Month	BSE			S&P BSE Sensex Index		
		High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)
1	April 2017	37.95	37.9	37.9	30184.22	29241.48	29918.4
2	May 2017	-	-	-	31255.28	29804.12	31145.8
3	June 2017	37.85	36.05	37.85	31522.87	30680.66	30921.61
4	July 2017	37.5	34.2	34.4	32672.66	31017.11	32514.94
5	August 2017	35	34.25	34.25	32686.48	31128.02	31730.49
6	September 2017	-	-	-	32524.11	31081.83	31283.72
7	October 2017	-	-	-	33340.17	31440.48	33213.13
8	November 2017	-	-	-	33865.95	32683.59	33149.35
9	December 2017	-	-	-	34137.97	32565.16	34056.83
10	January 2018	-	-	-	36443.98	33703.37	35965.02
11	February 2018	35.95	35.95	35.95	36256.83	33482.81	34184.04
12	March 2018	-	-	-	34278.63	32483.84	32968.68

Stock Performance vs BSE Sensex:

Performance of the Company's Equity Shares on BSE Limited relative to the BSE Sensitive Index (S&P BSE Sensex) is graphically represented in the chart below:



Distribution of Shareholding as on 31st March, 2018

Number of Shares (Range)	No. of Shareholders	Percentage of Total Shareholders	No. of Shares	Percentage of Total Capital
001- 500	198	69.71	16920	0.17
501-1000	8	2.82	7273	0.07
1001-2000	7	2.47	11902	0.12
2001-3000	3	1.06	8500	0.09
3001-4000	-	-	-	-
4001-5000	-	-	-	-

5001-10000	6	2.11	50262	0.51
10001 & Above	62	21.83	9815473	99.04
TOTAL	284	100.00	9910330	100

Shareholding pattern as on 31st March,2018:

Category of Shareholders	No. of Shareholders	No. of Shares Held	% of Shares Held
Promoter & Promoter group	13	6421171	64.79
Financial Institutions & Banks	-	-	-
Mutual Funds & UTI	-	-	-
Foreign Institutional Investors / Foreign Portfolio Investors	-	-	-
NRI/OCBs	0	0	0.00
Bodies Corporate	22	998378	10.08
Clearing Members	-	-	-
Public	244	2490781	25.13
TOTAL	284	9910330	100.00

11. SUBSIDIARY COMPANIES

The Company does not have any material unlisted Indian subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth of the listed holding company and its subsidiaries in the immediately preceding accounting year as defined under the Listing Regulations.

The Company monitors the performance of its subsidiaries, inter alia by following means:

- The Minutes of the Board Meetings of the Subsidiary Companies are noted at the Board Meetings of the Company.
- The Investments made by the Subsidiary Companies are reviewed by the Audit Committee from time to time.
- Details of significant transactions and arrangements entered into by Subsidiary Companies are regularly placed at the Board Meetings of the Company.

The Company has a policy for determining material subsidiaries which is disclosed on its website at the following web link <http://www.niveditaindia.com/>.

12. OTHER DISCLOSURES:

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year ended March 31, 2018.

ii. Non Compliances/Strictures/Penalties Imposed

During the last three years, there were no penalties or strictures imposed on the Company by SEBI, Stock Exchange or any statutory authority on any matter related to capital market.

iii. Disclosure about Whistle Blower Policy

The Board of Directors of the Company had adopted Whistle Blower Policy wherein employees can report genuine concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against victimization of employees who avail of the whistle blower mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

The Audit Committee reviews periodically the functioning of Whistle Blower mechanism. The Whistle Blower Policy of the Company is placed on the website of the Company <http://www.niveditaindia.com/>.

iv. Code of Conduct

The Board has formulated a code of conduct for the Board members and Senior Management Personnel of the Company and the same is reflected on the website of the Company.

v. Non-Mandatory requirements

The Company has reviewed the non-mandatory requirements under Listing Regulations, 2015 and these shall be adopted/complied by the Company on need basis.

vi. Pursuant to requirements of Listing Regulations, the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at www.niveditaindia.com.

vii. Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

viii. Management Discussion and Analysis

The Management Discussion and Analysis report has been separately furnished in Annual Report and forms a part of the Annual Report.

ix. Policy on Insider Trading

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Company has formulated a code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company will adhere to each of the principles set out in Schedule A of SEBI (PIT) Regulations, 2015.

For and on Behalf of the Board of Directors

Gautam Panchal
Director (DIN: 07826634)

Sudarshan Somani
Director(DIN: 00137568)

Lalitha Cheripalli
Director (DIN: 07026989)

Mumbai: 18th May, 2018

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT:

I hereby confirm that the Company has received from all the Board of Directors and Senior Management Personnel, an affirmation(s) that they have complied with the Code of Conduct as applicable to them in respect of the financial year ended March 31, 2018.

For and on Behalf of the Board of Directors

Lalitha Cheripalli
Director (DIN: 07026989)

Mumbai, May 18, 2018

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Nivedita Mercantile and Financing Limited

1. This certificate contains details of compliance of conditions of corporate governance by NIVEDITA MERCANTILE AND FINANCING LIMITED ('the Company') for the year ended 31st March 2018 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

3. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2018.
5. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

9. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Bagaria & Co., LLP
Chartered Accountants
(Firm Registration No.113447W/W-100019)

Mumbai, May18, 2018

Vinay Somani
Partner
Membership No. : 143503

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

As per the latest World Economic Outlook (WEO) estimates, there has been a global upswing in economic activity with global growth projected to rise from 3.6 percent in CY2017 to 3.7 percent in CY2018. While economic performance across emerging and developing markets remained mixed during the last year their importance increased in global economy. But potentially persistent structural shifts occurring in the global economy, emerging market and developing economies may face a less supportive external environment going forward. South Asia has regained its lead as the fastest growing region in the world, supported by recovery in India. With the right mix of policies and reforms, growth is expected to accelerate to 6.9% in 2018 and 7.1% next year. A shift in the commodity cycle has affected commodity exporters.

INDIAN ECONOMY

FY2018 started in unsettled economic environment due to after effects of demonetization and nationwide implementation of goods and service tax (GST), which led to decline in gross domestic product (GDP) growth to 5.7% in first quarter and 6.2% second quarter respectively.

However, the third quarter showed a much needed uptick in GDP growth to 7.2% backed by robust rebound of construction, manufacturing and expansion in agriculture. The numbers indicated that the economy had shaken off the effects of demonetisation and come to grips with the GST. The International Monetary Fund (IMF) has reaffirmed that India is one of the fastest growing major economy in FY2018, with a growth rate of 7.4% that rises to 7.8% in FY2019 with medium-term prospects remaining positive. This recovery is expected to be supported by a rebound from transitory shocks as well as robust private consumption going forward. The economic indicators released at the end of fiscal year, showed the composite PMI into expansionary mode, an increase in merchandise exports and import grew by 11.02% and 21.04% in FY2018. The reforms and initiatives by the Indian government are focused towards rural development and affordable housing. Some of the major initiatives include:

1. To strengthen and uplift rural economy a total of Rs. 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood in rural areas. Budgetary allocation for infrastructure is set at Rs. 5.97 lakh crore (US\$ 93.85 billion) for FY2019. All-time high allocations have been made to the rail and road sectors.
2. With keeping in mind empowering rural sector, government has stepped up on the digital front launch of applications like the United Payment Interface (UPI), Bharat Interface for Money (BHIM) and Unstructured Supplementary Service Data (USSD), to enable consumers to easily make transactions digitally, with or without an Internet connection, and thereby strengthen its push towards making India a digital economy.
3. Simplification of taxation system through implementation of Goods & Service Tax, thus removing the inefficiencies in the supply chain.
4. Credit linked Subsidy Scheme (CLSS) has been a demand-side intervention to expand institutional credit flow to the housing needs of the people residing in urban regions.

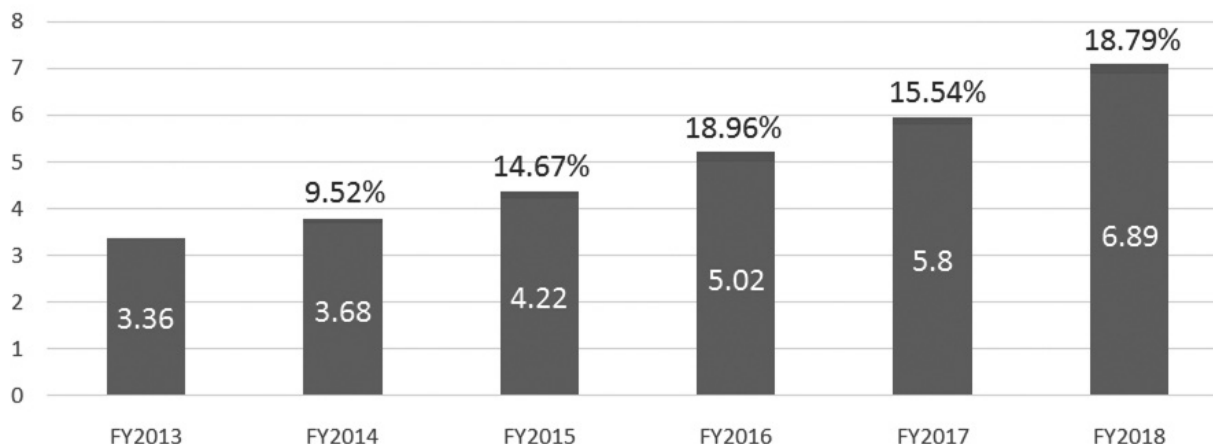
India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by FY2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year FY2040, according to a report by PricewaterhouseCoopers.

INDUSTRY OVERVIEW

Credit penetration in India is low as compared to other developing and developed economies. Accordingly the NBFC penetration is even lower. Nevertheless, the NBFC sector has been growing steadily over the years due to liberalisation of the legal regime, increasing digitisation and rising financial inclusion have given a boost to innovation, growth and investment in the financial sector. NBFCs typically have several advantages over banks due to their focus on niche segment, low cost, expertise in the specific asset classes, deeper penetration in the rural and unbanked markets, strong risk management capabilities to check and control bad debts etc. Additionally, improving macroeconomic conditions, increased consumption and disruptive digital trends support and allow strong credit growth for NBFCs.

As per RBI's latest financial stability report, there were 11,402 NBFCs registered with the Reserve Bank as of March 2018, of which 156 are deposit accepting. The aggregate balance sheet size of the NBFC sector as on March 2018 was Rs.22.1 trillion. NBFC sector's borrowings grew at 19.1% which shows a rise of leverage in the sector. Net profit increased by 30.8% in FY2018. Also as per guidelines, NBFCs are required to maintain a minimum capital (Tier-I + Tier-II) of >15% of their aggregate risk-weighted assets, which stands at a comfortable position of 22.9% as of March 2018. Gross NPAs of the NBFC sector as a percentage of total advances decreased from 6.1% in 2017 to 5.8% percent in 2018.

NBFC Retail AUM



Source: FICCI, CRISIL, Dun and Bradstreet, ICRA, TechSci Research. Notes: AUM - Assets Under Management

However higher borrowing costs and narrowing options to raise funds will pose challenges for retail non-banking finance companies (NBFCs) in the fiscal year ending FY2019. During the year, NBFC sector was strengthened by reforms, such as CLSS wherein the effective rate of payment falls below rental yields. This, in turn, improves the conditions for buying affordable housing property, empowering Housing Finance Companies (HFCs). Also, the Union Budget 2017-18 offered 5% (earlier nil) deduction in respect of provision for bad and doubtful debts. In terms of outlook, India Ratings & Research expects that NBFCs would continue to expand in certain asset classes and in small ticket loans. Also, diversified NBFCs would continue to gain market shares being vacated by banks owing to either capital constraints, flight to safety or limited ability to price in the risk. Most experts expect NBFCs to grow at 18 percent CAGR till 2020.

FINANCIAL PERFORMANCE

The Company's Loan Assets under Management increased from Rs.151.10crs in FY 2017 to Rs.132.25crs in FY 2018. During the year under consideration your Company's total income including other income is Rs.18.65crs as compared to Rs.21.76 crs in the previous year. The Net Profit after tax is Rs.1.11crs against the profit of Rs.2.33crs in the previous year.

RISK MANAGEMENT

The objective of risk management systems is to measure and monitor the various risks the Company is subject to and to implement policies and procedures to address these. The Company continues to improve its operating processes and risk management systems that will further enhance its ability to manage these risks.

Operational risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events. It includes employee negligence, fraud, petty theft, burglary and embezzlement. The Company has instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews.

Credit risk

Credit risk is the possibility of loss due to the failure of any counterparty to abide by the terms and conditions of any financial contract with the Company. Your Company aims to reduce credit risk through a rigorous loan approval and appraisal process, as well as a strong NPA monitoring and collection strategy.

Market risk

Market risk refers to potential losses arising from the movement in market values of interest rates in the Company's business. The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce its exposure to the volatility inherent in financial instruments. The majority of the Company's borrowings, and all the loans and advances it makes, are at fixed rates of interest. This minimizes the Company's interest rate risk.

Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal costs to meet operational and debt servicing requirements. The Company tracks the potential impact of prepayment of loans at a realistic estimate of its near to medium-term liquidity position.

Business cycle risk

Business cycle risk is the risk associated with the seasonal or cyclical nature of a business. As customers include both individuals and business, loan products are used by customers in various industries, trade cycles and have limited impact on Company's business.

INTERNAL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate internal control system in place to safeguard assets and protect against losses from any unauthorised use or disposition. The system authorises, records and reports transactions and ensures that recorded data are reliable to prepare financial information and to maintain accountability of assets.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the company's objectives, estimates, expectations may be "forward-looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied due to several factors which are beyond the control of the management. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the company's operations but it is not exhaustive. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.

Independent Auditor's Report

To
The Members of
Nivedita Mercantile & Financing Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:
- a) We have sought & 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note no 20(2) to the financial statement;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Bagaria & Co., LLP
Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

Membership No.: 143503

Mumbai, May 18th, 2018

"Annexure A" to the Independent Auditor's Report - 31.03.2018

(Referred to in our Report of even date)

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:

- i. There are no fixed assets and therefore clause 3(i) of the order is not applicable.
- ii. There is no inventory and therefore, clause 3(ii) of the order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Consequently, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities undertaken by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess to the extent applicable and any other material statutory dues have generally 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 the above were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions. The Company has not taken any loan either from Bank or from the government and has not issued any debentures.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer. Based on our audit procedures and the information & explanations given by the management, we report that the Company has applied the moneys raised from term loans for the purpose for which they were raised.
- x. Based upon the audit procedures performed and the information and explanations given by the Management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has not paid any managerial remuneration during the year except for sitting fees of directors. Hence provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. Based on the audit procedures performed and the information and explanations given to us all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. According to the information and explanations given to us, the Company has been registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

For Bagaria & Co., LLP
Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

Membership No.: 143503

Mumbai, May 18th, 2018

"Annexure B" to the Independent Auditor's Report - 31.03.2018

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

We have audited the internal financial controls over financial reporting of **Nivedita Mercantile & Financing Limited ("the Company")** as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

Membership No.: 143503

Mumbai, May 18th, 2018

STANDALONE BALANCE SHEET AS AT 31st MARCH 2018			
(Rs in Lakhs)			
Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share capital	2	991.03	991.03
Reserves and surplus	3	10,233.24	10,115.95
NON-CURRENT LIABILITIES			
Long-term borrowings	4	3,087.62	3,224.09
CURRENT LIABILITIES			
Short-term borrowings	5	5,998.04	10,530.86
Trade payable	6	5.34	17.45
Other current liabilities	7	68.00	114.39
Short-term provisions	8	730.22	400.87
TOTAL		21,113.49	25,394.64
ASSETS			
NON - CURRENT ASSETS			
Non-current investments	9	3,706.68	6,019.16
Long-term loans and advances	10	145.53	104.95
CURRENT ASSETS			
Current investment	11	3,772.74	3,772.74
Cash and bank balance	12	24.50	61.55
Short-term loans and advances	13	13,305.97	15,281.79
Other current assets	14	158.07	154.45
TOTAL		21,113.49	25,394.64
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1		
	1 to 20		

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 18th May, 2018

**For and on behalf of the Board of Directors
of Nivedita Mercantile and Financing Limited**

Sudarshan Somani

Director

(DIN: 00137568)

Gautam Panchal

Director

(DIN: 07826634)

Lalitha Cheripalli

Director

(DIN: 07026989)

Shreya Shetty

Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018			
(Rs in Lakhs)			
Particulars	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
Revenue from operations	15	1,794.73	2,060.02
Other income	16	71.14	116.97
Total income (I)		1,865.87	2,176.99
EXPENSES			
Operating expenses	17	1,295.66	1,536.52
Employee benefits expenses	18	7.37	11.63
Other expenses	19	405.43	352.60
Total expenses (II)		1,708.46	1,900.75
Profit for the year before tax (I - II)		157.41	276.24
Tax expense:			
(Less):Current tax		38.10	36.53
(Less):Excess/(Short) provision for tax		2.02	-
Profit for the year		117.29	239.71
Earning per equity share of face value Rs. 10 each:			
Basic		1.18	2.42
Diluted		1.18	2.42
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1 1 to 20		

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 18th May, 2018

**For and on behalf of the Board of Directors
of Nivedita Mercantile and Financing Limited**

Sudarshan Somani

Director

(DIN: 00137568)

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(DIN: 07826634)

Lalitha Cheripalli

Director

(DIN: 07026989)

Shreya Shetty

Company Secretary

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(Rs in Lakhs)

	Year Ended 31st March 2018		Year Ended 31st March 2017	
Cash Flow from Operating Activities				
Profit Before Tax and Extraordinary items		157.41		276.23
Adjustment For				
Provision for Standard & Sub-Standard Asset	329.35		257.79	
Dividend Income	(3.56)		(11.01)	
Interest Income	(8.23)		-	
Loss/ (Profit) on Sale of Mutual Funds	(59.34)	258.22	(105.96)	140.82
Operating Profit before Working Capital Changes		415.63		417.05
Adjustment for:				
(Increase)/Decrease in Long Term Loans & Advances, Short Term Loans & Advances and in other current Assets	1,910.70		5,217.04	
Increase/(Decrease) in Short term Borrowings & Long Term Borrowing	(4,669.31)		(5,881.00)	
Increase/(Decrease) in Trade Payable, Short Term provisions and other current liabilities	(58.49)	(2,817.10)	(93.19)	(757.15)
Cash Generated From Operations		(2,401.47)		(340.10)
Income Tax Paid/(Refund)		19.19		164.18
Net Cash inflow / (used) from Operating Activities (A)		(2,420.66)		(504.28)
Cash Flow from Investing Activities				
Purchase of Investment	(28.40)		(266.09)	
Sale of Investment	2,400.22		581.43	
Interest Received	8.23		-	
Dividend Income	3.56	2,383.61	11.01	326.35
Net Cash inflow / (used) in Investing Activities (B)		2,383.61		326.35
Cash Flow from Financing Activities				
Net Cash inflow / (used) in Financing Activities (C)		-		-
Net Increase in Cash and Cash Equivalents (A+B+C)		(37.05)		(177.93)
Cash and Cash Equivalents - Opening Balance		43.51		221.45
Cash and Cash Equivalents - Closing Balance		6.46		43.51

The above Cash Flow Statement has been prepared under the " Indirect method" set out in Accounting Standard (AS) -3 on Cash Flow Statement

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 18th May, 2018

**For and on behalf of the Board of Directors
of Nivedita Mercantile and Financing Limited**

Sudarshan Somani

Director

(DIN: 00137568)

Lalitha Cheripalli

Director

(DIN: 07026989)

Gautam Panchal

Director

(DIN: 07826634)

Shreya Shetty

Company Secretary

Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2018

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation

Nivedita Mercantile & Financing Limited (the "Company") is a listed public company having its registered office at 5th Floor, Sunteck Center, Vile Parle East Mumbai -400 057. The Company currently operates as a Non-Deposit taking Non-Systemically Important ("ND-NSI") registered with the RBI vide certificate no. 13.00758 dated 20th April, 1998.

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles of a going concern except interest on loan classified as non performing asset are accounted for on realisation basis. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 the provisions of the Act (to the extent notified) thereof along with the applicable guidelines issued by Reserve Bank of India ("RBI").

All assets and liabilities have been classified as current or non-current as per the criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of the products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of its assets and liabilities.

1.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

1.3 Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Interest, processing charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments and finance agreements entered into with borrowers, as the case may be, except in the case of non-performing assets where income is recognised only when realised. Income from bonds and debentures of corporate bodies and from government securities/ bonds are accounted on accrual basis.
- b) Other Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- c) Dividend income on investments is accounted for when the right to receive the payment is established.
- d) Gain or loss on long term investments is accounted on actual receipt in excess of cost of investment recognised in books.

1.4 Fixed Assets & Depreciation

The Company does not have any Fixed Asset as on 31st March , 2018

1.5 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and net realisable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is

made to recognise a decline other than temporary in the value of the investments.

Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.6 Taxation

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

1.7 Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable 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.

1.8 Provision

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.9 Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes on Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

1.10 Standard Asset Provisioning

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures in each of the Company's loan portfolios based on the Reserve Bank of India Directions. A higher standard asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgement. This estimate includes consideration of economic and business conditions. The amount of the collective allowance for credit losses is the amount that is required to establish a balance in the Provision for Standard Assets Account that the Company management considers adequate, after consideration of the prescribed minimum under the above mentioned directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

1.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

NOTES TO STANDALONE FINANCIAL STATEMENT

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
2	Share capital		
	Share Capital		
	Authorised		
	150,000,000 (previous year 150,000,000) equity shares of Rs.10 each	15,000.00	15,000.00
	Total authorised share capital	15,000.00	15,000.00
	Issued, Subscribed and Paid up		
	99,10,330 (previous year 99,10,330) equity shares of Rs. 10 each fully paid up	991.03	991.03
	Total issued, subscribed and fully paid up share capital	991.03	991.03
	a. Reconciliation of shares outstanding at the beginning and at the end of the year		
		As at 31st March, 2018	As at 31st March, 2017
	Equity shares of Rs. 10/- each	Number of Shares	Number of Shares
	Outstanding at the beginning of the year	9,910,330	9,910,330
	Add: Fresh Issue	-	-
	Outstanding at the end of the year	9,910,330	9,910,330
	b. Terms/rights attached to equity shares		
	<p>The Company has only one class of Equity Share having value of Rs. 10 Each with an entitlement of one vote per share.</p> <p>The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		
	c. Details of shareholders holding more than 5% shares in the company		
		As at 31st March, 2018	As at 31st March, 2017
	Equity shares of Rs. 10/- each fully paid	% of holding shares	Number of shares
	Glint Infraprojects Pvt Ltd	4.19	9.08
	SW Capital Pvt Ltd	9.79	4.90
	Eskay Infrastructure Development Pvt Ltd	10.55	10.55
	Akrur Khetan	5.50	5.50
	Anupma Khetan	5.50	5.50

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
3	Reserves and Surplus		
	Securities premium account		
	Balance as per last financial statements	8,048.66	8,048.66
	Add: Received during the year	-	-
	Closing balance	8,048.66	8,048.66
	Statutory Reserve Fund		
	Balance as per last financial statements	416.90	368.96
	Add: Transferred during the year	23.46	47.94
	Closing balance	440.36	416.90
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	1,650.39	1,458.62
	Profit for the year	117.29	239.71
	Balance available for appropriation	1,767.68	1,698.33
	Less: Appropriations		
	Statutory Reserve Fund	23.46	47.94
	Closing balance	1,744.22	1,650.39
	Total reserves and surplus	10,233.24	10,115.95
4	Long Term Borrowings		
	Secured Loans		
	a) Term Loan		
	Financial Institutions	3,087.62	3,224.08
	Total long term borrowings	3,087.62	3,224.08
Terms and Conditions for Secured Loan taken from Financial Institutions			
Indiabulls Housing Finance Ltd			
- The term loan is secured by way of mortgage of property situated at worli which belongs to Naksh Corporate Solutions Pvt Ltd and Brown Trading Pvt Ltd through tri- parties agreement.			
- Rate of interest 12.25% p.a.			
Repayment schedule of secured term loan (refer note below).			
		As at 31st March, 2018	As at 31st March, 2017
	>0 to 1 year *	136.47	95.43
	>1 year to 5 years	788.54	698.06
	>more than 5 years	2,327.74	2,526.02
	Total	3,252.75	3,319.51
	* Amounts reflected in current maturities of short term borrowings		

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
5	Short Term Borrowings		
	Secured Loans		
	a) Term Loan		
	Financial Institutions	2,636.47	2,580.43
	Unsecured Loans		
	a) Loans repayable on demand		
	Body corporates	3,361.57	7,950.43
	Total short term borrowings	5,998.04	10,530.86
	Terms and Conditions for Secured Loan taken from Financial Institutions		
	Barclays Investments & Loans (India) Limited		
	4.1 The term loan of Rs 25,00 Lakhs(Previous Year 24,85 Lakhs) is secured by way of pledge of tax free bonds and other securities.		
	4.2 The interest rate on term loans of Rs. 25,00 Lakhs (Previous Year Rs. 24,85 Lakhs) @ 8.75% p.a. - 10%p.a. (8.75% p.a. - 10%p.a.)		
	4.3 Repayment schedule of secured term loan (refer note below)		
		As at 31st March, 2018	As at 31st March, 2017
	>0 to 1 year	2,500.00	2,485.00
6	Trade Payables		
	Trade payables (refer note no.20.10 for details of dues to micro, small and medium enterprises)	5.34	17.45
	Total trade payables	5.34	17.45
7	Other Current Liabilities		
	Interest accrued but not due on borrowings	45.20	63.42
	Others		
	Statutory dues	4.76	32.92
	Unclaimed Dividend	18.04	18.04
	Total other current liabilities	68.00	114.39
8	Short Term Provisions		
	(a) Contingent Provisions against Standard Assets	44.43	148.24
	(b) Contingent Provisions against Sub-Standard Assets	685.79	252.63
	Total short term provisions	730.22	400.87
9	Non - Current Investments		
	Quoted equity instruments		
	BHEL	62.08	33.73
	57,500 (previous year 20,000) equity shares of Rs. 2 each fully paid up		
	Sundaram Multi Pap Ltd	-	99.60
	Nil (previous year 641,283) equity shares of Re 1 each fully paid up		
	Hindalco Industries Ltd	-	44.96
	Nil (previous year 25,000) equity shares of Re 1 each fully paid up		

(Rs in Lakhs)

IFCI Ltd	-	49.96
Nil (previous year 2,00,000) equity shares of Rs. 10 each fully paid up		
Larsen Toubro Ltd	-	280.08
Nil (previous year 24,250) equity shares of Rs. 2 each fully paid up		
Marico Ltd	-	2.16
Nil (previous year 8,000) equity shares of Re 1 each fully paid up		
Monsanto India Ltd	-	29.13
Nil (previous year 3,650) equity shares of Rs. 10 each fully paid up		
Reliance Industries Ltd	-	66.59
Nil (previous year 6,000) equity shares of Rs. 10 each fully paid up		
Ultratech Cement Ltd	-	25.40
Nil (previous year 1,500) equity shares of Rs. 10 each fully paid up		
Unity Infraprojects Ltd	1.69	1.69
8,000 (previous year 8,000) equity shares of Rs. 2 each fully paid up		
Cox & Kings (I) Ltd	28.01	28.01
14,000 (previous year 14,000) equity shares of Rs. 5 each fully paid up		
Unquoted equity instruments		
Eskay Infrastructure Development Pvt Ltd	7.87	7.87
78,732 (previous year 78,732) equity shares of Rs. 10 each fully paid up		
Samhrutha Habitat Infrastructure Pvt Ltd	849.23	849.23
25,35,000 (previous year 25,35,000) equity shares of Rs. 10 each fully paid up		
V Can Exports Pvt Ltd	1.00	1.00
10,000 (previous year 10,000) equity shares of Rs. 10 each fully paid up		
Chitta Finlease Pvt Ltd	0.80	0.75
802 (previous year 752) equity shares of Rs. 100 each fully paid up		
Unquoted debenture instruments		
0.01% Naksh Corporate Solutions Pvt Ltd	2,756.00	2,756.00
2,756 (previous year 2,756) Optionally Convertible debenture of Rs. 1,00,000 each fully paid up		
0.01% Chitta Finlease Pvt Ltd	-	1,743.00
Nil (previous year 173,430) Optionally Convertible debenture of Rs. 1,000 each fully paid up		
Total non current investments	3,706.68	6,019.16
Notes		
Aggregate market value of quoted investments	70.91	675.64
Aggregate amount of quoted investments (at cost)	91.78	661.31
Aggregate amount of unquoted investments	3,614.90	5,357.85
- 30,000 equity shares of BHEL are pledge to Barclays Loans and Investments (India) Ltd		

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
10	Long Term Loans and Advances		
	Advance Tax (Net off Provision for Tax Rs. 2,752.64 lakhs ; Previous Year Rs. 3,059.38 lakhs)	145.53	104.95
	Total long term loans and advances	145.53	104.95
11	Current Investments		
	Quoted tax free bonds		
	Housing & Urban Development Corporation ,8.14%,25th October 2023	250.93	250.93
	25,000 (previous year 25,000) bonds of Rs. 1,000 each		
	Housing & Urban Development Corporation,8.39%,25th October 2023	49.70	49.70
	5,000 (previous year 5,000) bonds of Rs. 1,000 each		
	Housing & Urban Development Corporation,8.58%,13th January 2029	221.50	221.50
	21,000 (previous year 21,000) bonds of Rs. 1,000 each		
	India Infrastructure Finance Company Ltd,8.38%,12th November 2028	301.53	301.53
	30,000 (previous year 30,000) bonds of Rs. 1,000 each		
	India Infrastructure Finance Company Ltd,8.48% 22nd January 2029	211.70	211.70
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	India Infrastructure Finance Company Ltd 8.55% 27th March 2029	228.16	228.16
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	India Renewable Energy Development Agency Ltd,8.55%,13th March 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	Indian Railway Finance Corporation 8.00% 23rd Febuary 2022	247.69	247.69
	23,449 (previous year 23,449) bonds of Rs. 1,000 each		
	Indian Railway Finance Corporation 8.40%,18th Febuary 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	Indian Railway Finance Corporation 8.63%,26th March 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	National Highway Authority of India 8.20% 25th January 2022	78.65	78.65
	7,417 (previous year 7,417) bonds of Rs. 1,000 each		
	National Highway Authority of India 8.50%,05th Febuary 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	National Housing Bank 8.63% 13th January 2029	72.20	72.20
	1,444 (previous year 1,444) bonds of Rs. 5,000 each		
	NHPC Ltd 8.54%,02nd November 2028	161.05	161.05
	16,105 (previous year 16,105) bonds of Rs. 1,000 each		

(Rs in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
NHPC Ltd 8.79%, 02nd November 2028	52.68	52.68
5,000 (previous year 5,000) bonds of Rs. 1,000 each		
Power Finance Corporation 8.20% 01st February 2022	207.44	207.44
19,758 (previous year 19,758) bonds of Rs. 1,000 each		
Power Finance Corporation 8.54%, 16th November 2028	291.50	291.50
29,150 (previous year 29,150) bonds of Rs. 1,000 each		
Power Finance Corporation 8.79% 16th November 2028	44.05	44.05
4,310 (previous year 4,310) bonds of Rs. 1,000 each		
Rural Electrification Corporation Ltd 8.26% 24th September 2023	49.97	49.97
5,000 (previous year 5,000) bonds of Rs. 1,000 each		
Rural Electrification Corporation Ltd 8.63% 24th March 2029	200.00	200.00
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
Rural Electrification Corporation Ltd 7.22%, 19th December 2022	303.99	303.99
30,002 (previous year 30,002) bonds of Rs. 1,000 each		
Total current investment	3,772.74	3,772.74
Notes		
Aggregate market value of quoted investments	4,226.12	4,194.21
Aggregate amount of quoted investments (at cost)	3,772.74	3,772.74
Aggregate amount of unquoted investments	-	-
- The tax free bonds book value of Rs 3,772.74 Lakhs (Previous Year Rs 3,772.74 Lakhs) are pledge to Barclays Loans and Investments (India) Ltd		
12 Cash and Bank Balances		
i) Cash and cash equivalents		
Balances with bank	5.87	40.76
Cash in hand	0.59	2.75
	6.46	43.51
ii) Other bank balances		
Earmarked bank balances		
Unpaid dividend bank account	18.04	18.04
Total cash and bank balances	24.50	61.55
13 Short Term Loans and Advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	11,469.31	15,103.21
Loans and advances to subsidiaries	1,743.21	-
Deposit	1.50	1.50
Others		
Staff Loan	-	0.20
Duties and taxes recoverable	24.27	39.01

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
	Advance Tax (Net off Provision for Tax Rs 38.10 Lakhs ; Previous Year Rs. 36.53 Lakhs)	66.15	127.65
	Prepaid expenses	1.53	10.22
	Total short term loans and advances	13,305.97	15,281.79
14	Other Current Assets		
	Interest accrued and due	125.53	131.56
	Other Current Asset	32.54	22.89
	Total other current assets	158.07	154.45

(Rs in Lakhs)

		Year ended 31st March, 2018	Year ended 31st March, 2017
15	Revenue From Operations		
	Finance activity		
	Operating income	1,309.55	1,746.56
	Surplus from redemption of securities net	9.77	-
	Processing Fees & Advisory Services Fees	175.00	-
		1,494.32	1,746.56
	Other Operating revenue		
	Interest income	300.41	313.46
	Total revenue from operations	1,794.73	2,060.02
16	Other Income		
	Dividend Income:		
	Shares	0.76	11.01
	Mutual Fund	2.81	-
	Interest on income tax refund	8.23	-
	Profit on sales of Investment	59.34	105.96
	Total other income	71.14	116.97
17	Operating Expenses		
	Interest expense	1,290.41	1,520.02
	Legal and professional fees	5.25	16.50
	Total operating expenses	1,295.66	1,536.52
18	Employee Benefit Expenses		
	Salaries and wages	5.28	8.71
	Staff welfare expenses	2.09	2.92
	Total employee benefit expenses	7.37	11.63
19	Other Expenses		
	Annual, listing fees and other fees	3.11	2.71
	Brokerage expense/Gurantee Fees	-	20.02
	Business promotion	0.82	1.06
	Demat charges	0.22	0.25
	Director sitting fees	0.35	0.45
	Insurance	0.19	0.17
	Legal and professional	48.74	51.57
	Miscellaneous expenses	14.13	3.43
	Payments to auditors	1.00	0.90
	Printing and stationery	0.72	1.21
	Provision for standard & sub- standard assets	329.35	257.79
	Rent, rates and taxes	3.62	8.44
	Travelling and conveyance	2.86	4.60
	CSR Activity	0.32	-
	Total other expenses	405.43	352.60

Significant Accounting Policies and Notes on Standalone Accounts for the year ended 31st March 2018			
20	Other Required Disclosures		
1	Earning Per Share		
		Year ended 31st March, 2018	Year ended 31st March, 2017
	Net profit for the year attributable to equity shareholders (Rs.)	11,728,816	23,970,397
	Weighted Average No. of Equity shares outstanding for Basic Earnings per share	9,910,330	9,910,330
	Weighted Average No. of Equity shares outstanding for Diluted Earnings per share	9,910,330	9,910,330
	Basic Earnings per share (face valued of Rs 10/-each)	1.18	2.42
	Diluted Earnings per share (face valued of Rs 10/-each)	1.18	2.42
2	Contingent liabilities and commitments		
			(Rs in Lakhs)
		Year ended 31st March, 2018	Year ended 31st March, 2017
	a) Contingent Liabilities (to the extent not provided for)	-	13.01
	b) The Company's pending litigations comprise of claims against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and disclosed the contingent liabilities, wherever applicable in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.		
3	Related Party Disclosures		
	Name of the Related Parties :		
	Related parties where control exists, irrespective of whether transaction has occurred or not:		
	(a) Subsidiary Companies:		
	V Can Exports Private Limited		
	Chitta Finlease Private Limited		

Related Party Transactions			
		(Rs in Lakhs)	
	Particulars	Subsidiary	
		As at 31st March, 2018	As at 31st March, 2017
	(i) Transaction during the year		
	(a) Interest income		
	Chitta Finlease Private Limited	0.16	0.17
	(b) Loans and advances given / (received)		
	V Can Exports Private Limited	2.75	(3.00)
	(c) Non - current investments in subsidiary - Optionally convertible debentures		
	Chitta Finlease Private Limited	(1,743.21)	171.50
	(d) Non- current investments - Share Capital		
	Chitta Finlease Private Limited	0.05	-
	(ii) Outstanding balances as at the year end		
	(a) Loans and advances given/(taken)		
	Chitta Finlease Private Limited	1,743.21	-
	V Can Exports Private Limited	-	(2.75)
	(b) Non - current investment in shares		
	V Can Exports Private Limited	1.00	1.00
	Chitta Finlease Private Limited	0.80	0.75
	(c) Non-current investments in subsidiary - optionally convertible debentures		
	Chitta Finlease Pvt Ltd	-	1,743.00
4	In the opinion of the Management, Long Term Loans & Advances, Short Term Loans & Advances & Short Term Borrowing would be realizable/payable at least of an amount equal to the amount at which they are stated in the Balance sheet. Further provisions have been made for all known & accrued liabilities.		

5	The Following additional information is disclosed in terms of RBI Circulars: (From Note No 5 to 7 below)		
			(Rs in Lakhs)
	Liabilities side :	Amount outstanding	Amount overdue
	(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(Other than falling within the meaning of public deposits)		
	(b) Deferred Credits		
	(c) Term Loans	5,724.08	-
	(d) Inter-corporate loans and borrowing	3,361.57	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
	Total	9,085.65	-
	Assets side :	Amount outstanding	Amount overdue
	(2) Break-up of Loans and Advances including bills receivables (Other than those included in (4) below) :		
	(a) Secured	-	-
	(b) Unsecured	13,212.52	-
	Total	13,212.52	-
	(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Leased assets including lease rentals under Sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	Total	-	-
	(4) Break-up of Investments :		
	Current Investments:		
	1. Quoted		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	3,772.74	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-

(Rs in Lakhs)

Assets side :	Amount outstanding	Amount overdue
2. Unquoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
Long Term Investments :		
1. Quoted		
(i) Shares : (a) Equity	91.78	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)		
2. Unquoted		
(i) Shares : (a) Equity	858.90	-
(b) Preference	-	-
(ii) Debentures and Bonds	2,756.00	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
Total	7,479.42	-
Category	Secured / Unsecured	Total
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :		
1. Related parties		
(a) Subsidiaries	1,743.21	1,743.21
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	11,469.31	11,469.31
Total	13,212.52	13,212.52

(Rs in Lakhs)

	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
1. Related parties			
	(a) Subsidiaries		1.80
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2. Other than related parties			
Total			
		-	7,479.42
(7) Other information			
	Particulars	Amount Rs.	Amount Rs.
	(i) Gross Non-performing Assets		
	(a) Related Parties	-	-
	(b) Other than related parties	-	-
	(ii) Net Non-Performing Assets		
	(a) Related Parties	-	-
	(b) Other than related parties	-	-
	(iii) Assets acquired in satisfaction of debt	-	-
	Total	-	-
6	Exposure to real estate sector is Rs.7555.24 Lakhs Includes Kanaka & Associates, Kapila Infrastructure Limited, Sunteck Realty Ltd, & Eskay Infrastructure & Development Private Limited.		
7	The Company has maintained 43.55% as Capital Adequacy Ratio as on 31.03.2018		
8	Pursuant to "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015", a Systemically Important NBFC is required to disclose the Maturity Pattern in the Balance Sheet. Pursuant to the said provisions the borrowings by the Company from other body Corporates are payable as and when the demand been made by the Body Corporates and the Loans and advances granted during the year are perpetual and are renewed on the timely basis. Hence it is difficult to arrive at the Maturity Pattern by the Company as per the NBFC Directions.		
9	Since the Company operates in single segment (i.e. investments and financing activities), no further disclosure is required to be given as per the notified AS-17 'Segmental Reporting'.		
10	Micro, Small and Medium Enterprises		
	The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro Small and Medium enterprises, as defined under Micro Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2018 is made in the financial statements based on information received and available with the company.		
11	Previous year's figures have been regrouped, rearranged, reclassified to the extent possible.		

Independent Auditor's Report

**To,
The Members of
Nivedita Mercantile & Financing Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Nivedita Mercantile & Financing Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company & its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2018;
- ii. in the case of the Consolidated Statement of Profit and Loss, of the consolidated profits for the year ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.17,55,82,375 as at March 31st, 2018, and total loss of Rs. 5,95,023 for the year ended March 31st, 2018 as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company, none of the directors of any such company are disqualified as on March 31, 2018, from being appointed as a Director of the company in terms of sub-section (2) of section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its subsidiaries - Refer note no 20(2) to the consolidated financial statements;

- (ii) The Holding Company and its subsidiaries did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Bagaria & Co., LLP
Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

Membership No.: 143503

Mumbai, May 18th, 2018

"Annexure A" to the Independent Auditor's Report - 31.03.2018

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

In conjunction with our audit of the consolidated financial statements of **Nivedita Mercantile & Financing Limited** ("the Holding Company") as of and for the year ended March 31, 2018 we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

Membership No.: 143503

Mumbai, May 18th, 2018

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

(Rs in Lakhs)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share capital	2	991.03	991.03
Reserves and Surplus	3	10,231.09	10,119.76
MINORITY INTEREST			
		0.20	0.25
NON CURRENT LIABILITIES			
Long-term borrowings	4	3,087.62	3,224.09
CURRENT LIABILITIES			
Short-term borrowings	5	6,008.82	10,539.13
Trade payable	6	6.30	17.82
Other current liabilities	7	69.02	115.40
Short-term provisions	8	730.22	400.87
TOTAL		21,124.30	25,408.35
ASSETS			
NON - CURRENT ASSETS			
Non-current investments	9	5,448.52	6,018.05
Long-term loans and advances	10	146.19	105.61
CURRENT ASSETS			
Current Investment	11	3,772.74	3,772.74
Cash and Bank balance	12	35.91	68.37
Short-term loans and advances	13	11,562.76	15,289.14
Other Current Assets	14	158.18	154.44
TOTAL		21,124.30	25,408.35
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1 1 to 20		

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 18th May, 2018

**For and on behalf of the Board of Directors
of Nivedita Mercantile and Financing Limited**

Sudarshan Somani

Director

(DIN: 00137568)

Gautam Panchal

Director

(DIN: 07826634)

Lalitha Cheripalli

Director

(DIN: 07026989)

Shreya Shetty

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018			
(Rs in Lakhs)			
Particulars	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
Revenue from operations	15	1,794.85	2,059.85
Other income	16	71.14	116.97
Total income (I)		1,865.99	2,176.82
EXPENSES			
Operating expenses	17	1295.66	1,536.52
Employee benefits expenses	18	7.37	11.63
Other expenses	19	411.46	358.21
Total expenses (II)		1714.49	1,906.36
Profit for the year before tax (I - II)		151.50	270.46
Tax expense:			
Current tax		38.12	36.53
Short/(Excess) provision for taxation		2.02	-
Profit before Minority Interest		111.36	233.93
Less: Minority interest		-	-
Profit after Minority Interest		111.36	233.93
Earning per equity share of face value Rs. 10 each:			
Basic		1.12	2.36
Diluted		1.12	2.36
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1 1 to 20		

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 18th May, 2018

**For and on behalf of the Board of Directors
of Nivedita Mercantile and Financing Limited**

Sudarshan Somani

Director

(DIN: 00137568)

Gautam Panchal

Director

(DIN: 07826634)

Lalitha Cheripalli

Director

(DIN: 07026989)

Shreya Shetty

Company Secretary

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

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cash Flow from Operating Activities		
Profit before tax as per Statement of Profit and Loss	151.48	270.46
Adjusted for:		
Provision for Standard & Sub- Standard Assets	329.35	257.79
Interest Income	(8.23)	-
Dividend Income	(3.56)	(11.01)
(Profit) / Loss on Sale of Investments	(59.34)	258.22
		(105.96)
Operating Profit before Working Capital Changes	409.70	411.28
Adjusted for:		
(Increase)/Decrease in Long Term Loans & Advances, Short Term Loans & Advances and in other current Assets	3,661.14	5,220.19
Increase/(Decrease) in Short term Borrowings	(4,666.77)	(6,055.25)
Increase/(Decrease) in Trade Payable, Short Term provisions and other current liabilities	(57.92)	(81.71)
		(1,063.55)
Cash Generated from / (used in) Operations	(653.85)	(505.49)
Less: Income Tax Paid	19.21	164.18
Net Cash from / (used in) Operating Activities (A)	(673.06)	(669.68)
Cash Flow from Investing Activities		
Sale of Investments	657.22	581.43
Purchase of Investments	(28.35)	(94.60)
Interest on Income Tax Refund	8.23	-
Dividend Income	3.56	11.01
Business (Acquisition) / Dilution	(0.05)	-
Net Cash from / (used in) Investing Activities (B)	640.61	497.84
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B)	(32.45)	(171.83)
Cash and Cash Equivalents - Opening Balance	50.32	222.16
Cash and Cash Equivalents - Closing Balance	17.87	50.32

Note:

1) The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standards- 3 on "Cash Flow Statements"

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 18th May, 2018

**For and on behalf of the Board of Directors
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(DIN: 07826634)

Shreya Shetty

Company Secretary

Significant Accounting Policies and Notes on Consolidated accounts for the year ended 31st March 2018

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Corporate Information and Basis of preparation

Nivedita Mercantile & Financing Limited (the "Company") is a listed public company having its registered office at 5th Floor, Sunteck Center, Vile Parle East Mumbai -400 057. The Company currently operates as a Non-Deposit taking Non-Systemically Important ("ND-NSI") registered with the RBI vide certificate no. 13.00758 dated 20th April, 1998.

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles of a going concern except interest on loan classified as non performing asset are accounted for on realisation basis. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 the provisions of the Act (to the extent notified) thereof along with the applicable guidelines issued by Reserve Bank of India ("RBI").

All assets and liabilities have been classified as current or non-current as per the criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of the products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of its assets and liabilities.

1.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

1.3 Principle of Consolidation

Nivedita Mercantile & Financing Limited ('The Parent Company') and its subsidiary companies collectively referred to as "Group"

The consolidated financial statements relate to the group. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Parent Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- ii. The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii. Minority's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- iv. Minority's share of net assets of consolidated subsidiaries is identified and presented as minority interest in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- v. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Parent Company's separate financial statements
- vi. The list of Subsidiary Companies, which are included in the consolidation and the Group's holdings therein are as under:

Subsidiary Companies	Proportion of ownership interest
V Can Exports Pvt Ltd	100%
Chitta Finlease Pvt Ltd	80.20%

1.4 Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Interest, processing charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments and finance agreements entered into with borrowers, as the case may be, except in the case of non-performing assets where income is recognised only when realised. Income from bonds and debentures of corporate bodies and from government securities/bonds are accounted on accrual basis.
- b) Other Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- c) Dividend is accounted when the right to receipt is established.
- d) Gain or loss on long term investments is accounted on actual receipt in excess of cost of investment recognised in books.

1.5 Fixed Assets & Depreciation

The Company does not have any Fixed Asset as on 31st March 2018

1.6 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

“Current investments are carried in the financial statements at lower of cost and net realisable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognise a decline other than temporary in the value of the investments.”

Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.7 Taxation

Tax expense comprises of current and deferred tax

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

1.8 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with AS-20 “Earnings per Share”. Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or

loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

1.9 Provision

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.10 Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes on Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

1.11 Standard Asset Provisioning

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures in each of the Company's loan portfolios based on the Reserve Bank of India Directions. A higher standard asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgement. This estimate includes consideration of economic and business conditions. The amount of the collective allowance for credit losses is the amount that is required to establish a balance in the Provision for Standard Assets Account that the Company management considers adequate, after consideration of the prescribed minimum under the above mentioned directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

1.12 Cash and Cash Equivalents

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

CONSOLIDATED NOTES TO FINANCIAL STATEMENT

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
2	Share capital		
	Share Capital		
	Authorised		
	150,000,000 (previous year 150,000,000) Equity Shares of Rs.10 each	15,000.00	15,000.00
	Total authorised share capital	15,000.00	15,000.00
	Issued, Subscribed and Paid up		
	99,10,330 (previous year 99,10,330) equity shares of Rs. 10 each fully paid up	991.03	991.03
	Total issued, subscribed and fully paid up share capital	991.03	991.03
	a. Reconciliation of shares outstanding at the beginning and at the end of the year		
		As at 31st March, 2018	As at 31st March, 2017
	Equity shares of Rs. 10 each	Number of Shares	Number of Shares
	Outstanding at the beginning of the year	9,910,330	9,910,330
	Add: Fresh Issue	-	-
	Outstanding at the end of the year	9,910,330	9,910,330
	b. Terms/rights attached to equity shares		
<p>The Company has only one class of Equity Share having value of Rs. 10 Each with an entitlement of one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>			
	c. Details of shareholders holding more than 5% shares in the company		
		As at 31st March, 2018	As at 31st March, 2017
	Equity shares of Rs. 10 each fully paid	% of holding Share	Number of shares
		% of holding Share	Number of shares
	Glint Infraprojects Pvt Ltd	4.19	415,000
	SW Capital Private Limited	9.79	970,139
	Eskay Infrastructure Development Pvt Ltd	10.55	1,045,700
	Akrur Khetan	5.50	545,400
	Anupama Khetan	5.50	545,400

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
3	Reserves and Surplus		
	Capital reserves		
	Balance as per last financial statements	10.31	10.31
	Less : During the year Capital reserve on consolidation	(0.32)	-
	Closing balance	9.99	10.31
	Securities premium account		
	Balance as per last financial statements	8,048.66	8,048.66
	Add: Received during the year	-	-
	Closing balance	8,048.66	8,048.66
	Statutory Reserve Fund		
	Balance as per last financial statements	416.90	368.96
	Add: transfers during the year	23.46	47.94
	Closing balance	440.36	416.90
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	1,643.88	1,457.89
	Profit for the year	111.34	233.93
	Balance available for appropriation	1,755.22	1,691.82
	Less: Appropriations		
	Transfer to Capital Reserve	0.32	-
	Statutory Reserve Fund	(23.46)	(47.94)
	Closing balance	1,732.08	1,643.88
	Total reserves and surplus	10,231.09	10,119.76
4	Long Term Borrowings		
	Secured Loans		
	a) Term Loan		
	Financial Institutions	3,087.62	3,224.09
	Total long term borrowings	3,087.62	3,224.09
Terms and Conditions for Secured Loan taken from Financial Institutions			
Indiabulls Housing Finance Ltd			
- The term loan is secured by way of mortgage of property situated at Worli which belongs to Naksh Corporate Solutions Pvt Ltd and Brown Trading Pvt Ltd through tri- parties agreement.			
- Rate of interest 12.25% p.a.			
Repayment schedule of secured term loan (refer note below).			
		As at 31st March, 2018	As at 31st March, 2017
	>0 to 1 year *	136.47	95.43
	>1 year to 5 years	788.54	698.06
	>more than 5 years	2,327.75	2,526.02
	Total	3,252.76	3,319.51
	* Amounts reflected in current maturities of short term borrowings		

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
5	Short Term Borrowings		
	Secured Loans		
	a) Term Loan		
	Financial Institutions	2,636.47	2,580.43
	Unsecured Loans		
	a) Loans repayable on demand		
	Body corporates	3,361.55	7,947.68
	Others	10.80	11.02
	Total short term borrowings	6,008.82	10,539.13
	Terms and Conditions for Secured Loan taken from Financial Institutions		
	Barclays Investments & Loans (India) Limited		
	4.1 The term loan of Rs 2,500 lakh (Previous Year Rs. 2,485.00 Lakhs) is secured by way of pledge of tax free bonds and other securities.		
	4.2 The interest rate on term loans of Rs. 2,500 lakh @ 8.75% p.a. - 10%p.a. (8.75% p.a. - 10%p.a.)		
	4.3 Repayment schedule of secured term loan (refer note below).		
		As at 31st March, 2018	As at 31st March, 2017
	>0 to 1 year	2,500.00	2,485.00
6	Trade Payables		
	Trade payables (refer note no.20.5 for details of dues to micro, small and medium enterprises)	6.30	17.82
	Total trade payables	6.30	17.82
7	Other Current Liabilities		
	Interest accrued but not due on borrowings	45.20	63.42
	Others		
	Statutory dues	4.78	32.94
	Unclaimed Dividend	18.04	18.04
	Others	1.00	1.00
	Total other current liabilities	69.02	115.40
8	Short Term Provisions		
	(a) Contingent Provisions against Standard Assets	44.43	148.24
	(b) Contingent Provisions against Sub-Standard Assets	685.79	252.63
	Total short term provisions	730.22	400.87
9	Non - Current Investments		
	Investment in property	1,743.64	1,743.64
	Quoted equity instruments		
	BHEL	62.08	33.73
	57,500 (previous year 20,000) equity shares of Rs. 2 each fully paid up		

(Rs in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Sundaram Multi Pap Ltd	-	99.60
Nil (previous year 641,283) equity shares of Re. 1 each fully paid up		
Hindalco Industries Ltd	-	44.96
Nil (previous year 25,000) equity shares of Re. 1 each fully paid up		
IFCI Ltd	-	49.96
Nil (previous year 2,00,000) equity shares of Rs. 10 each fully paid up		
Larsen Toubro Ltd	-	280.08
Nil (previous year 24,250) equity shares of Rs. 2 each fully paid up		
Marico Ltd	-	2.16
Nil (previous year 8,000) equity shares of Re. 1 each fully paid up		
Monsanto India Ltd	-	29.13
Nil (previous year 3,650) equity shares of Rs. 10 each fully paid up		
Reliance Industries Ltd	-	66.59
Nil (previous year 6,000) equity shares of Rs. 10 each fully paid up		
Ultratech Cement Ltd	-	25.40
Nil (previous year 1,500) equity shares of Rs. 10 each fully paid up		
Unity Infraprojects Ltd	1.69	1.69
8,000 (previous year 8,000) equity shares of Rs. 2 each fully paid up		
Cox & Kings (I) Ltd	28.01	28.01
14,000 (previous year 14,000) equity shares of Rs. 5 each fully paid up		
Unquoted equity instruments		
Eskay Infrastructure Development Pvt Ltd	7.87	7.87
78,732 (previous year 78,732) equity shares of Rs. 10 each fully paid up		
Samhrutha Habitat Infrastructure Pvt Ltd	849.23	849.23
25,35,000 (previous year 25,35,000) equity shares of Rs. 10 each fully paid up		
Unquoted debenture instruments		
0.01% Naksh Corporate Solutions Pvt Ltd	2,756.00	2,756.00
2,756 (previous year 2,756) Optionally Convertible debenture of Rs. 1,00,000 each fully paid up		
Total non current investments	5,448.52	6,018.05
Notes		
Aggregate market value of quoted investments	70.91	675.64
Aggregate amount of quoted investments (at cost)	91.78	661.31
Aggregate amount of unquoted investments	3,613.10	3,614.85
- 30,000 equity shares of BHEL are pledge to Barclays Loans and Investments (India) Ltd		

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
10	Long Term Loans and Advances		
	Advance Tax (Net off Provision for Tax Rs. 2,752.64 lakh ; Previous Year Rs 3,059.38 lakh)	146.19	105.61
	Total long term loans and advances	146.19	105.61
11	Current Investments		
	Quoted tax free bonds		
	Housing & Urban Development Corporation ,8.14%,25th October 2023	250.93	250.93
	25,000 (previous year 25,000) bonds of Rs. 1,000 each		
	Housing & Urban Development Corporation,8.39%,25th October 2023	49.70	49.70
	5,000 (previous year 5,000) bonds of Rs. 1,000 each		
	Housing & Urban Development Corporation,8.58%,13th January 2029	221.50	221.50
	21,000 (previous year 21,000) bonds of Rs. 1,000 each		
	India Infrastructure Finance Company Ltd,8.38%,12th November 2028	301.53	301.53
	30,000 (previous year 30,000) bonds of Rs. 1,000 each		
	India Infrastructure Finance Company Ltd,8.48% 22nd January 2029	211.70	211.70
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	India Infrastructure Finance Company Ltd 8.55% 27th March 2029	228.16	228.16
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	India Renewable Energy Development Agency Ltd,8.55%,13th March 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	Indian Railway Finance Corporation 8.00% 23rd February 2022	247.69	247.69
	23,449 (previous year 23,449) bonds of Rs. 1,000 each		
	Indian Railway Finance Corporation 8.40%,18th February 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	Indian Railway Finance Corporation 8.63%,26th March 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	National Highway Authority of India 8.20% 25th January 2022	78.65	78.65
	7,417 (previous year 7,417) bonds of Rs. 1,000 each		
	National Highway Authority of India 8.50%,05th February 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	National Housing Bank 8.63% 13th January 2029	72.20	72.20
	1,444 (previous year 1,444) bonds of Rs. 5,000 each		
	NHPC Ltd 8.54%,02nd November 2028	161.05	161.05
	16,105 (previous year 16,105) bonds of Rs. 1,000 each		
	NHPC Ltd 8.79%,02nd November 2028	52.68	52.68
	5,000 (previous year 5,000) bonds of Rs. 1,000 each		
	Power Finance Corporation 8.20% 01st February 2022	207.44	207.44
	19,758 (previous year 19,758) bonds of Rs. 1,000 each		

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
	Power Finance Corporation 8.54%, 16th November 2028	291.50	291.50
	29,150 (previous year 29,150) bonds of Rs. 1,000 each		
	Power Finance Corporation 8.79% 16th November 2028	44.05	44.05
	4,310 (previous year 4,310) bonds of Rs. 1,000 each		
	Rural Electrification Corporation Ltd 8.26% 24th September 2023	49.97	49.97
	5,000 (previous year 5,000) bonds of Rs. 1,000 each		
	Rural Electrification Corporation Ltd 8.63% 24th March 2029	200.00	200.00
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	Rural Electrification Corporation Ltd 7.22%, 19th December 2022	303.99	303.99
	30,002 (previous year 30,002) bonds of Rs. 1,000 each		
	Total Current Investment	3,772.74	3,772.74
	Notes		
	Aggregate market value of quoted investments	4,226.12	4,194.21
	Aggregate amount of quoted investments (at cost)	3,772.74	3,772.74
	Aggregate amount of unquoted investments	-	-
	- The tax free bonds book value of Rs 3,772.74 Lakhs (Previous Year Rs 3,772.74 Lakhs) are pledge to Barclays Loans and Investments (India) Ltd		
12	Cash and Bank Balances		
	i) Cash and cash equivalents		
	Balances with bank	7.93	47.18
	Cash in hand	0.94	3.14
	Deposit with original maturity exceeding 3 months but less than 12 months*	9.00	-
		17.87	50.32
	ii) Other bank balances		
	Earmarked bank balances		
	Unpaid dividend bank account	18.04	18.04
	Total cash and bank balances	35.91	68.37
13	Short Term Loans and Advances		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or for value to be received	11,469.31	15,110.46
	Loans and advances to subsidiaries		
	Deposit	1.50	1.50
	Others		
	Staff Loan	-	0.20
	Duties and taxes recoverable	24.27	39.10
	Advance Tax (Net off Provision for Tax Rs.38.12 Lakhs , P Y Rs. 36.53 Lakhs)	66.15	127.65
	Prepaid expenses	1.53	10.22
	Total short term loans and advances	11,562.76	15,289.14

(Rs in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
14	<u>Other Current Assets</u>		
	Interest accrued but not due	125.64	131.56
	Other Current Asset	32.54	22.89
	Total other current assets	158.18	154.44

(Rs. In lakhs)

		Year Ended 31st March, 2018	Year Ended 31st March, 2017
15	Revenue From Operations		
	Finance activity		
	Operating income	1,309.39	1,746.39
	Surplus from redemption of securities net	9.77	-
	Processing Fees & Advisory Services Fees	175.00	-
		1,494.16	1,746.39
	Other Operating revenue		
	Interest income	300.69	313.46
	Total revenue from operations	1,794.85	2,059.85
16	Other Income		
	Dividend income:		
	Shares	0.76	11.01
	Mutual Fund	2.80	-
	Interest on income tax refund	8.24	-
	Profit on sales of Investment	59.34	105.96
	Total other income	71.14	116.97
17	Operating Expenses		
	Interest expense	1,290.41	1,520.02
	Legal & Professional fees	5.25	16.50
	Total direct expenses	1,295.66	1,536.52
18	Employee Benefits Expenses		
	Salaries and wages	5.28	8.71
	Staff welfare expenses	2.09	2.92
	Total employee benefit expenses	7.37	11.63
19	Other Expenses		
	Annual, listing fees and other fees	3.11	2.71
	Business promotion	0.82	1.06
	Brokerage & Commission	-	20.02
	Demat charges	0.22	0.25
	Director sitting fees	0.35	0.45
	Insurance	0.19	0.17
	Legal and professional	48.86	52.24
	Miscellaneous expenses	17.39	5.04
	Payments to auditors	1.29	1.28
	Printing and stationery	0.71	1.21
	Provision for standard & sub- standard assets	329.35	257.79
	Rent, rates and taxes	5.99	11.39
	Travelling and conveyance	2.86	4.60
	CSR Activity	0.32	-
	Total other expenses	411.46	358.21

Significant Accounting Policies and Notes on Consolidated Accounts for the year ended 31st March 2018

20. Other Required Disclosures;

1. Earnings Per Share

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Net profit for the year attributable to equity shareholders (Rs.)	11,133,793	23,392,610
Weighted Average No. of Equity shares outstanding for Basic Earnings per share	9,910,330	9,910,330
Weighted Average No. of Equity shares outstanding for Diluted Earnings per share	9,910,330	9,910,330
Basic Earnings per share (face value of Rs 10/-each)	1.12	2.36
Diluted Earnings per share (face value of Rs 10/-each)	1.12	2.36

2. Contingent liabilities and commitments

(Rs. In lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
a) Contingent Liabilities - Disputed Income tax matter (to the extent not provided for)	-	13.01
b) The Company's pending litigations comprise of claims against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and disclosed the contingent liabilities, wherever applicable in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.		

3	Related Party Disclosures
	a) Related Parties NIL
4	In the opinion of the Management, all Current Assets, Loans & Advances & Current Liabilities would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. Further provisions have been made for all known & accrued liabilities.
5	Micro, Small and Medium Enterprises
	The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro Small and Medium enterprises, as defined under Micro Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2018 is made in the financial statements based on information received and available with the company.
6	Previous year's figures have been regrouped, rearranged, reclassified to the extent possible.

