



**STERLING**  
**GUARANTY & FINANCE LIMITED**

CIN No.: L65990MH1983PLC031384

**ANNUAL REPORT AND ACCOUNTS – 2018-2019**



## **AUDITED ACCOUNTS 2018-19**

Board of Directors:	Mr. Dhiren Mehta – Chairman (DIN: 00036743)  Ms. Aditi Mehta – Additional Woman Director & CFO (DIN - 01173259) (FCA No. 113426)  Ms. Savita D. Kumawat – Independent Director (DIN - 08295644)
Company Secretary & Compliance Officer:	Ms. Richa Sharma(FCS No. F-7624)
Auditors:	M/s J. H. Bhadari & Co. Chartered Accountants
Registered Office:	91-A. Mittal court, Nariman point, Mumbai – 400021 CIN No. : L65990MH1983PLC031384 Phone: 022 22840078   Fax: 022 22048738 Email: <a href="mailto:sterling.guaranty@gmail.com">sterling.guaranty@gmail.com</a> Website: <a href="http://www.sterlingguaranty.com">www.sterlingguaranty.com</a>
Registrar & Share Transfer Agent:	Purva Sharegistry (India) Pvt. Ltd. 9 Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Execelus, Lower Parel East, Mumbai-400 011. Email : <a href="mailto:support@purvashare.com">support@purvashare.com</a> Telephone No. 022-23018261/23016761
Bankers:	HDFC Bank
ISIN No	INE668Y01016
BSE Company Code	508963
Pan No	AAACS7359F
GST No	27AAACS7359F2Z5

### **CONTENTS**

Sr. No.	Index of Content	Page No.
1	NOTICE OF 35 <sup>th</sup> AGM	1-8
2	DIRECTORS' REPORT	9-13
3	SECRETARIAL AUDIT REPORT	14-16
4	AOC – 2 & MGT – 9 & CORPORATE GOVERNANCE REPORT	17-29
5	INDEPENDENT AUDITORS' REPORT	30-33
6	STANDALONE FINANCIAL STATEMENTS	34-49

## NOTICE

NOTICE is hereby given that the **35<sup>th</sup> (Thirty Fifth) ANNUAL GENERAL MEETING** of the members of **STERLING GUARANTY & FINANCE LIMITED** will be held as under :-

Day : Monday

Date : September 30, 2019, Time : 10.30 A. M.

Place : Walchand Centre for Business Training, 3rd Floor, Indian Merchant Chambers, Churchgate, Mumbai 400020.

to transact the following business:

### ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements for the year 2018-19 along with the report of the Board of Directors' and Auditors' thereon.**
- 2. Appointment of Auditors:** To appoint M/S J. H. Bhandari Co. Chartered Accountants as Statutory Auditors to hold office for the period of 3 years of her first term and to authorize the Board to fix their remuneration and in this regard.

To consider and if thought fit to pass following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant as amended from time to time appointing M/S J. H. Bhandari Co. Chartered Accountants (ICAI Firm Registration No. 138960W) as Statutory Auditors of the Company, to hold office until the conclusion of 38<sup>th</sup> Annual General Meeting, being the remaining period of three years of theirs of their First Term. on such remuneration plus travelling and out of pocket expenses, as may be mutually agreed upon between the Auditors and the Board of Directors of the Company".

**"FURTHER RESOLVED THAT** any Director or Key Managerial Person be and is, hereby authorized to do all acts and deeds, necessary and expedient to give effect to this resolution."

### SPECIAL BUSINESS:

- 3. To approve continuance of Ms. Aditi D. Mehta (DIN:01173259) as additional Woman Director and CEO, who retires as her appointment was for one year in 34<sup>th</sup> AGM, and being eligible, offers herself for re-appointment pursuant to Regulation 17(1a) of the Listing Regulations.**

To consider and if thought fit to pass following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to applicable provisions of Companies Act, 2013 and Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof, as also newly inserted Regulation 17(1a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01<sup>st</sup> April 2019, approval of the members be and is hereby accorded to the continuance of Ms. Aditi D. Mehta (DIN:1173259), as additional woman Director.

**RESOLVED FURTHER THAT** She continue as an Honorary CEO also looking after finance of the Company without remuneration from 01<sup>st</sup> April 2019 till 36<sup>th</sup> Annual General Meeting.

**"FURTHER RESOLVED THAT** any Director or Key Managerial Person, be and is, hereby authorized to do all acts and deeds, necessary and expedient to give effect to this resolution."

- 4. To re-appoint Ms. Savita Dungaram Kumawat (DIN-08295644) as an Independent Director.**

To consider and if thought fit to pass following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to provision off section 149,150,152, schedule IV and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder read with regulation 17 and other applicable regulations, if any of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Including any statutory modification(s) or re-enactment(s) thereof for the time being in force,] based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Ms. Savita Dungaram Kumawat (DIN:08295644), Independent Director on 03-12-2018 and in respect of whom the Company has received requisite Notice in writing pursuant to the section 160 of the Companies Act 2013. Proposing his candidature for the office of Independent Director, be and is, hereby reappointed as on Independent Director of the Company for a period of five years from 35<sup>th</sup> Annual General Meeting up to 39<sup>th</sup> Annual General Meeting. Not liable to retire by rotation during her tenure as in Independent Director.

**"FURTHER RESOLVED THAT** any Director or Key Managerial Person, be and is, hereby authorized to do all acts and deeds, necessary and expedient to give effect to this resolution."

**5. To approve related party transactions between the Company with Sterling Investments (India) Ltd., Indistock Securities Ltd. and Indistock Financial Service Pvt. Ltd.**

To consider and if thought fit to pass following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of Companies (Meeting of Board and its powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party Transaction(s), approval of Share Holders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/arrangement(s)/transaction(s) with Sterling Investments (India) Ltd., Indistock Securities Ltd. and Indistock Financial service Pvt. Ltd, other services etc. Board of Director is authorized to do it on such terms & conditions as they may deem fit, provided that the said contract(s)/arrangement(s)/transaction(s).borrowing(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to delegate all or any of powers conferred on it by or under this resolution to any Committee of Director of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**6. RESCINDMENT OF THE FOLLOWING RESOLUTIONS PASSED IN 34<sup>TH</sup> AGM AND 33<sup>RD</sup> AGM ARE REQUIRED. BOARD OF DIRECTORS RECOMMENDS TO BE PASSED.**

To consider and if thought fit, to pass with or without modification (s), the following resolutions as **SEPCAIL RESOLUTIONS:-**

“RESOLVED THAT the resolution of ‘Change in the name of the Company’ passed in 34<sup>th</sup> AGM dated 28<sup>th</sup> December 2018 as item No. 4 as special resolution be rescinded.”

“RESOLVED THAT the resolution of ‘Reduction of face value of issued, subscribed and paid up equity shares of the company from Rs 10 to Rs. 1’ passed in 33<sup>rd</sup> AGM dated 29<sup>th</sup> September 2017 as item No. 4 as special resolution be rescinded.”

“RESOLVED THAT the resolution of ‘Issue of Rs. 3.90 Cr. Right Equity shares of face value of Rs. 1 each, passed in 33<sup>rd</sup> AGM dated 29<sup>th</sup> September 2017 as item no 6 as special resolution be Rescinded.”

“RESOLVED THAT the resolution of ‘Alteration of Memorandum and Articles of Association of share capital’ regarding reduction of face value of fully paid up equity shares of Rs. 10 each to Rs.1 passed in 33<sup>rd</sup> AGM dated 29<sup>th</sup> September 2017 as item No. 7 as special resolution be rescinded.”

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any committee of Directors of the Company and to do all the acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**7. PRIVATE PLACEMENT TO THE PROMOTERS**

The company proposes to issue on private placement basis 15 lacs equity shares of face value of Rs. 10 each amounting to Rs. 150 lacs. Promoters are deemed to be interested.

To consider and if thought fit to pass with or without modification(s), the following resolutions a **SPEICAL RESOLUTIONS:-**

“RESOLVED THAT subject to the relevant provision of Companies Act, 2013, of Section 42 of the Companies Act, 2013 (“Act”) the Company issue on private placement basis to the promoters Sterling Investments (India) Ltd. 10,00,000 (ten lacs) and to promoter Dhiren D. Mehta 5,00,000 shares (Five Lacs) equity shares of the Company of face value of Rs. 10 each for cash at par.”

“FURTHER RESOLVED THAT any director or key managerial person be and is, hereby authorized to do all acts and deeds, necessary and expedient to give effects to this resolution.”

**8. INCREASE OF AUTHORIZED CAPITAL**

The Company desires to issue Rs. 150 lacs worth 15 (fifteen lacs) equity share of the company of face value of Rs 10 each to the Promoters as per item No. 4. The Board therefore recommends if thought fit to pass the following resolution to enable the Company to issue equity share of the Company to promoters by altering the Memorandum and Articles of Association

To consider and if thought fit to pass following resolution as **SPECIAL RESOLUTION:**

“RESOLVED THAT Clause V of the Memorandum of Association of the Company the following resolution be substituted in place of the existing one;

The authorized share capital of the Company is Rs. 8,50,00,000 (Rs. Eight Crores Fifty Lacs only) divided into 82,50,000 (Eighty Two Lacs Fifty Thousand only) equity shares of Rs. 10/- (Rupees ten only) each and 2,50,000 (Two Lacs Fifty Thousand only) Preference Shares of Rs. 10/- (Rupees Ten only) each with such rights, privilege and conditions respectively conferred by the regulations of the Company with Powers to increase and reduce the capital of the Company and to divide the Sahe Capital from time to time and vary, modify and abrogate any rights, privilege or conditions attached to the shares in such nabbers as may from th time being be provided by the regulations of the Company.”

**“RESOLVED FURTHER THAT** article 32 of the Article of Association be substituted in place of the existing one:

The Authorized share capital of the Company is Rs. 8,50,00,000 (Rs. Eight Crore Fifty Lacs) only) divided into 82,50,000 (Eighty Two lacs Fifty Thousand only) equity shares of Rs. 10/- (Rupees Ten Only) each and 2,50,000 (Two Lacs Fifty Thousand only) Preference Shares of Rs. 10/0 (Rupees Ten only) each with such rights, privilege and conditions attached thereto as per the relevant provisions contained in that behalf in theses presents and with power to the Company to increase or reduce the capital and to divide the shares in the capital for the time being into several classes (being those specified in the Companies Act, 1956) and to attach thereto respectively such preferential qualified ir special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** any director or Key Managerial person, be and is hereby authorized to do qall acts and deeds, necessary and expedient to give effect to this resolution.”

**“RESOLVED FURTHER THAT** all Director and Key Managerial Personnel of the Company be and are hereby severally authorized to so all such acts, deeds and things, including to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution:

Place : Mumbai

Date : 05<sup>th</sup> September, 2019

By the Order of the Board  
Sterling Guaranty & Finance limited

Dhiren D Mehta  
Chairman

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. AS PER SECTION 105 OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER, A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON CANNOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. The Instruments of proxy for use of meeting must be lodged at the Registered Office of the Company, not less than forty eight hours before the commencement of meeting.
4. Register of Members and Share Transfer Book of the Company will remain closed from the 24/09/2019 to 30/09/2019 (both days inclusive) for the purpose of Annual General Meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative (s) to attend and vote on their behalf at the AGM to the Company’s Registered office.
7. Members hold shares in dematerialized form are requested to write their DP ID AND CLIENT ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting to facilitate easy identification of membership at the meeting.
8. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participant and those holding shares in physical form are to intimate the said changes to the Registrar and Transfer Agent of the Company.
9. Equity Shares of the Company are under compulsory demat. Those shareholders, who have not dematerialized their shareholding, are advised to dematerialize the same to avoid any inconvenience in future.
10. A route map showing directions to reach the venue of the 34<sup>th</sup> AGM is given along with this Annual Report as per the requirement of the “Secretarial Standards – 2” on General Meetings.

11. Additional information pursuant to clause 49 of the listing agreement in respect of the Directors seeking appointment/ re-appointment as mentioned under items nos. 1 to 6 of this notice is appended. Further, the Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
12. Copies of all documents referred to in the notice and the statement are available for inspection at the correspondence office of the Company for convenience of the members during normal business hours on all working days up to and including the date of the annual general meeting of the Company.

The Company has been maintaining, inter alia, following statutory registers at its registered office 91-A, Mittal Court, Nariman Point, Mumbai 400 021. They are kept open for inspection at the correspondence office in terms of the applicable provisions of Companies Act, 2013 by members.

- a) Register of contracts or arrangements in which directors are interested under section 189 of the Companies Act, 2013, on all working days during business hours. The said Register shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
  - b) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Companies Act, 2013 will be available for inspection on all working days during business hours.
  - c) Register of Members shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to any person attending the meeting.
13. Members are requested to immediately notify the company in case of any change in address and should specify their full address in capital letters clearly indicating the pin code of the post office.
  14. Members are requested to bring their attendance slip along with a copy of Annual Report as extra copies of Annual Report will not be supplied at the Annual General Meeting.
  15. In case members desire to raise any queries they are requested to send them at least 10 days in advance so that related information may be kept available at the meeting.
  16. In accordance with provisions of Section 205A of the Companies Act, 1956 (corresponding Section 124(5) of the Companies Act, 2013), the company has transferred unclaimed dividend up to the financial year 1992-93 to the General Revenue Account of the Central Government. Members who have valid claims to the unclaimed dividends referred to above may claim the same from the Registrar of Companies, Maharashtra at Mumbai in the prescribed manner.
  17. Members, who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.
  18. The Securities Exchange Board of India (SEBI) has mandated submission of the permanent Account Number (PAN) by every participant in securities market. Member holding shares in dematerialized form are therefore requested to submit their PAN to the Depository Participant with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the registrar and Transfer Agent of the Company, at their address given below:

PURVA SHAREREGISTRY (INDIA) PVT. LTD.  
9 Shiv Shakti Industrial Estate, J. R. Boricha Marg,  
Lower Parel (East), Mumbai 400 011

19. In accordance with the provisions of Section 205 ( c ) of the Companies Act 1956, the company has transferred the unclaimed dividend for the year 1994-95 to the "Investor Education and Protection Fund" of the Central Government. The company has not declared dividend subsequent to the year 1994-95.
  - After entering these details appropriately, click on "SUBMIT" tab.
  - Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- Click on the EVSN for the relevant STERLING GUARANTY & FINANCE LIMITED on which you choose to vote.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details
- After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- Note for Non – Individual Shareholders and Custodians Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing.
- The results shall also be immediately forwarded to the BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.
- All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

#### DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER REGULATION 36 OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT(S) REGULATIONS, 2015.

**1. DETAILS UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND IN TERMS OF CLAUSE NO. 1,2,5 OF SECRETARIAL STANDARDS – 2 IN RESPECT OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT :**

Name of Director	Aditi D. Mehta	Savita D. Kumawat
DIN	08295644	08295644
Date of Birth	15-08-1979	02-06-1991
Date of Appointment	03-12-2018	03-12-2018
Qualification	FCA (No. 113426)	Diploma of INIFD
Expertise in specific functional areas	Finance & Management	Digital Marketing, Print Graphics, Catalog shoot, Ad campaign, Marketing, Advertising and digital media & Finance
Terms & Conditions of re appointment	Re-appointment as a additional woman Director & CEO & CFO liable to retire by rotation	Re-appointment as Independent director liable to retire by rotation
Other Directorship	1. Indistock Securities Ltd 2. Sterling Investments (India) Ltd.	NIL
Details of remuneration and remuneration las drawn	Appointed without remuneration	Appointed without remuneration
Details of Shareholding in the Company	500 equity shares	No shareholding
Relationship with other Directors /key managerial person (if any)	Daughter of Mr. Dhiren D. Mehta	Not related
No. of Board meetings attended during the year	Two Board Meeting attended	Two Board meeting attended

**Item No. 3**

Ms. Aditi D. Mehta is FCA. Her brief resume, nature of expertise in functional areas, disclosure of relationship, Directorship and Membership of the committees of the board of Listed Entities and shareholding as required under Regulation 36(3) of LODR is set out in the Note No. 22 to the Notice.

The Board considers that her continuous association would be immense benefit to the Company and it is desirable to avail her services as a CEO and in financial matters, which she will be giving as Honorary & without remuneration

Your Directors, accordingly recommend and seek your approval to the resolution as appearing in items No. 3 of the Notice for your approval as a Special Resolution.

**Item No. 4**

Ms. Savita Dungaram Kumawat, her brief resume, nature of expertise in functional areas, disclosure of relationship, Directorship and Membership of the committees of the board of Listed Entities and shareholding as required under Regulation 36(3) of LODR is set out in the Note No. 22 to the Notice.

The Board considers that her continuous association would be immense benefit to the Company and it is desirable to avail her services as an Independent Director.

Your Directors, accordingly recommend and seek your approval to the resolution as appearing in items No. 4 of the Notice for your approval as a Special Resolution.



#### Item No. 5

Your Company has entered into transactions with Sterling Investments (India) Ltd., Indistock Securities Ltd. and Indistock Financial Services Pvt. Ltd. as mentioned in the resolution which is a “Related Party” as defined under Section 2(76) of the Companies Act, 2013.

As per the provisions of Section 188(10) of the Act, “Related Party Transactions” require prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limited prescribed under Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014. Proviso to Section 188 further provides that nothing contained in sub-section 1 of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on which are not on arm’s length basis.

As per the provisions of Regulation 23 of SEBI (LODR), Regulations, 2015, defines the term Material Related Party Transactions. It provides that all related party transactions shall be considered as “Material” if the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a Financial Year exceeds 10% of the Annual Consolidated Turnover of the Company as per Last Audited Financial Statement of the Company. The Material Related Party Transactions requires approval of the Shareholders by way of an Ordinary Resolution and in respect of voting on such resolution(s), all the related parties shall abstain from voting, irrespective of whether the entity or person is a party to the particular transaction or not, pursuant to Regulation 23(7) of SEBI (LODR) Regulations, 2015.

Members may please note that based on the criteria as mentioned above in the LODR, transactions with such related parties as mentioned in Item No. 5 are “Material” and therefore requires approval of the Company by Ordinary resolution.

The following are the particulars under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014:

Sr. Nos	Particulars	Sterling Investments (India) Ltd.	Indistock Securities Ltd	Indistock Financial Service Pvt. Ltd
1	Name of the Director or KMP who is Related	Dhiren D. Mehta & Aditi D. Mehta	Dhiren D. Mehta & Aditi D. Mehta	Dharmen D. Mehta
2	Nature of Relationship	Chairman and Director	Chairman and Director	Son of Mr. Dhiren D. Mehta
3	Nature, Material Terms, Monetary value and Particulars of Contract or Arrangement	Receipt of Loan	Receipt & Payment and Stock Broker	Repayment of loan

The Board of Directors of your Company has approved this item in the Board Meeting held on 05<sup>th</sup> April 2018.

The Board of Directors is of the opinion that the transactions are on an arm’s length basis and are in the ordinary course of business and recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as on Ordinary Resolution. None of the Directors and Key managerial Personnel of the Company or their relatives, except Mr. Dhiren D. Mehta, Aditi D. Mehta and their relatives, shall be deemed to be, financially or otherwise, interested or concerned in this resolution.

#### Item No. 6(a)

The Company had passed the resolution for the change of name as the Company has voluntarily surrendered the COR of NBFC. This resolution was passed as matter of expediency in case RBI directs so. However no such direction has been received for change of name and hence the said resolution is rescinded, The Board recommends to the members as the current name carries Brand value.

#### Item No. 6(b) and 6(d)

It was proposed to reduce the face value of fully paid up Equity shares from Rs. 10 to Rs. 1 as the Company’s net worth had become negative, Board of Directors’ reconsidered the decision in the interest of public shareholders and decided not to go for reduction of capital. Therefore both the resolutions have become redundant and therefore the Board of Directors recommends to rescind them.

#### Item No. 6(c)

It was earlier proposed that the Company should make a rights issue of Equity shares of Rs. 3.90 Cr. by issuing the Equity shares to raise the capital. However the Company was advised that there will not be any Public participation in the proposed Rights Issue as currently the Company has negative net worth and listed shares are not actively traded at BSE. Board of Directors therefore decided to cancel the proposed rights issue. The resolution passed is recommend to rescind the resolution.

#### Item No. 7

The Company is in need of capital infusion. It is therefore proposed to issue at first stage 150 lakhs Equity shares of Face Value of Rs. 10 each to the Promoters by way of private placement. This will be used for repaying the debt and to deal in securities. The Board of Directors recommends the resolution as this will help in revival of the Company. As on date one of the Promoters’ has given Rs. 100 lakhs by way of interest free loan to the Company.

**Item No. 8**

As stated earlier the Company proposes to issue Equity shares of Rs. 150 lakhs to the promoters. The Company needs to increase the Authorized Capital. This resolution is consequential to Item No. 6. Board of Directors recommends it in the interest of revival of the Company, Memorandum and Articles of Association needs to be amended for this purpose.

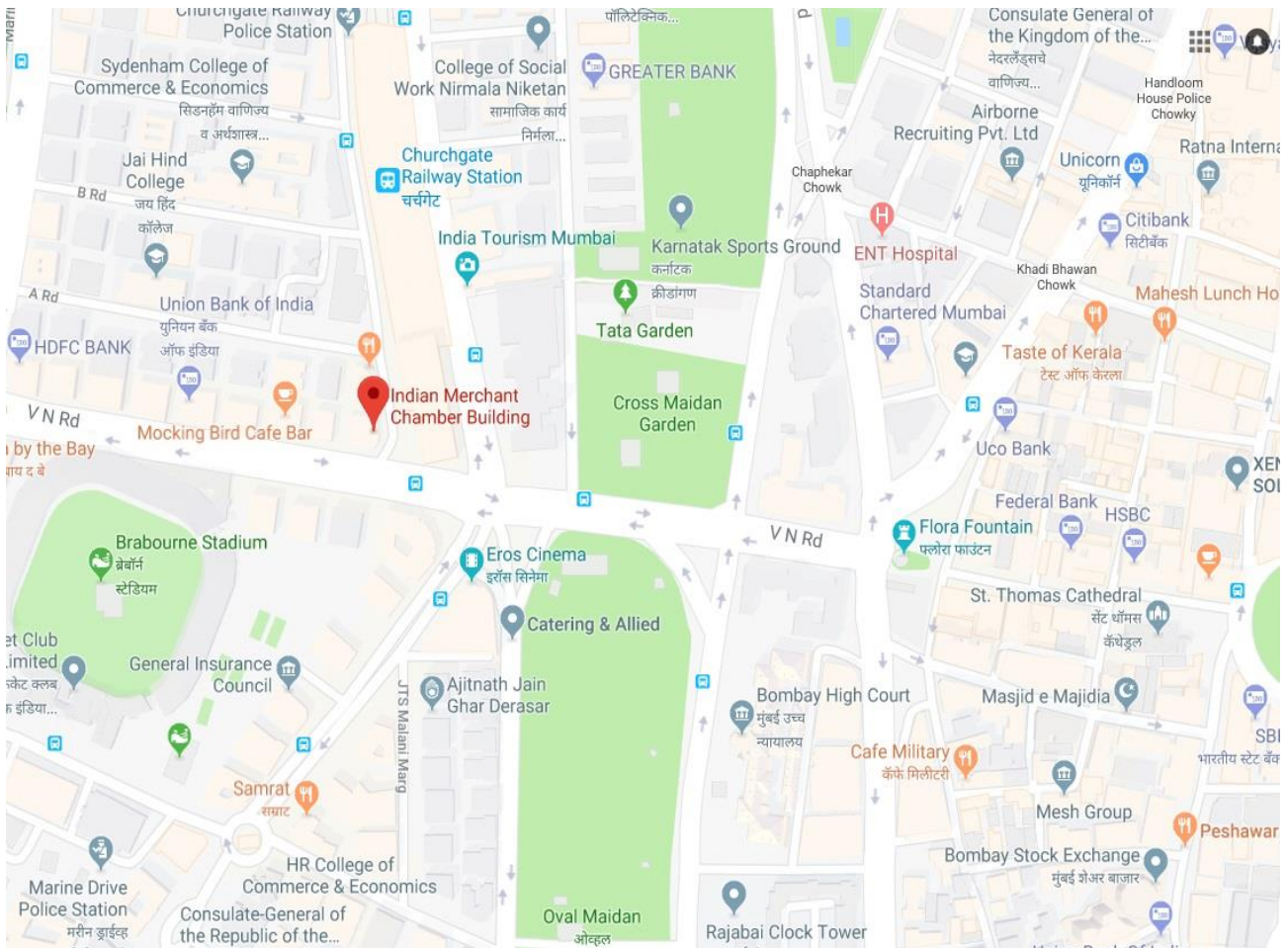
**Place : Mumbai**

**Date : 05<sup>th</sup> September, 2019**

**By the Order of the Board,**  
Sterling Guaranty & Finance Limited

**Dhiren D. Mehta**  
**Chairman**  
**DIN: 00036743**

**Map/Location of Annual General Meeting Venue:**



**DIRECTOR'S REPORT**

To,  
The Members,

Your directors are pleased to present the 35<sup>th</sup> Annual Report on the business of the Company and the Audited Financial Statement for the year ended 31<sup>st</sup> March 2019.

**HIGHLIGHTS OF PERFORMANCE:**

Following figures summarize the financial performance of the Company for the year 2018-2019

Particulars	(Rs. In Lakhs)	
	For the year ended 31.3.2019 Rs.	For the year ended 31.3.2018 Rs.
Revenue from Operations	837.31	NIL
Other Income	15.60	8.58
Profit/Loss before Finance Costs	1.86	-
(Less) : Depreciation & Taxes	-	-
(Less) : Finance Costs	(0.01)	-
(Less) : Depreciation	-	-
(Less) : Taxes	-	-
Net Profit (Loss) for the year	1.85	(0.92)
Balance of Profit/Loss for Earlier year	(841.34)	(840.42)
(Less) : Transfer to Reserve	-	-
Balance carried forward	(839.49)	(841.34)

Your directors are pleased to inform you that your Company is being revived during 2018-19. Your Company has generated Gross revenue of Rs. 8.53 Cr. in the year 2018-19 in comparison to Rs. 0.09 Cr. in the year 2017-18.

**DIVIDEND**

In view of carried forward loss, your directors do not recommend any Dividend for the year under review.

**APPROPRIATION OF RESERVES**

The Company is not required to transfer any amount to reserve. No amount is transferred to any reserve. in view of smallness of profit.

**SHARE CAPITAL**

There have been no changes in the share capital during the year under review.

Paid up Equity Share Capital as on 31<sup>st</sup> March, 2019 was Rs.653.76 lakhs. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options.

**COMPANY'S PERFORMANCE/STATE OF COMPANY'S AFFAIRS**

Current Net Worth of the company is negative Rs. 68 lacs only, which Director are confident to make it positive. Promoters have in principle agreed to subscribe to 15 lakhs Equity Shares of F.V. of Rs. 10 each by way of private placement to revive the Company. They have given interest free loan of Rs. 100 lacs. After the proposed private placement the Company will have sufficient capital to carry on non-NBFI business of Investments, Arbitrage, Securities trading, Dealing in stressed assets and legal & Investment consultancy. All these areas of business have great potential. PAT is Rs. 1.85 lakhs as compared to loss of Rs. 0.92 lakhs previous year. Derivatives accounting is done as per intimation by NSE/Broker. During the year Company has written back securities of Rs. 9.25 lakhs receivable from Investor Education and Protection Fund on Accrual basis.

## GENERAL

The Company has ceased to be an NBFC. It has voluntarily surrendered the COR to RBI on 3<sup>rd</sup> April, 2018. The company has not done any NBFC business during the year. Leasing and Hire purchase is not the core business of the company. Income from operations have increased manifold. The Company is a going concern, and has become profitable.

## SUNSDIARY COMPANIES

The Company has no subsidiary company as on March 31, 2019. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act")

## DIRECTORS' RESPONSIBILITY STATEMENT

- a) That in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards as advised by the auditors have been followed along with proper explanation relating to material departures, if any;
- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the Profit and Loss of the Company for the year ended on that date;
- c) That proper and sufficient care has been 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) That the annual financial statements have been prepared on a going concern basis and applying IND\_AS.
- e) Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) Those systems to ensure compliances with the provisions of all applicable laws were in place and were adequate and operating effectively.

## OPERATIONS, FUTURE PLAN & CHANGE OF BUSINESS

The Company has been doing necessary compliances. During the year no NBFI Business was carried out. Equity Shares of the Company is listed on BSE under Code No. 508963. The core business activity of the company is changed.

The Board has decided not to pursue reduction of equity share capital in the interest of public shareholders. The proposed Rights Issue is cancelled and Rs. 150 lakhs are being raised from Promoters on private placement.

Core Business of the Company is as under:

- a. The Company will utilize the experience of Promoters/Directors in financial technology for Legal & Investment advisory. Dealing in Securities & stressed assets.
- b. At present the focus is to do proprietary investment trading as the Directors have experience of the Securities Market. The Company is on the lookout for buying stressed assets from banks & institutions and adding value to those assets by stabilizing their titles, business operation/Asset & Liabilities and sale them after adding value.
- c. Legal and Investment Consultancy.

## DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

## DETAILS OF DIRECTORS OR KMP WHI WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

1. Ms Savita Dunagaram Kumawat (DIN No. 08295644) is appointed as Independent Director of the Company w.e.f. 03-12-2018.
2. During the year under review, the Company has appointed as Key Managerial Personnel Ms. Rich Sharma as Company Secretary (ICSI Membership No. F-7624) w.e.f. 03-12-2018

## BOARD MEETING HELD DURING THE YEAR.

Ten Meetings of Board of Director were held during the year on 05/04/2018, 29/05/2018, 10/08/2018, 12/09/2018, 25/09/2018, 26/10/2018, 03/12/2018 & 29/01/2018. For details of meetings of the Board please refer to the Corporate Governance Report, which forms part of the Board's Report.

## **BOARD EVALUATION**

The Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ('The history Regulations')

The performance of the Board were evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee") reviewed the performance of the individual directors on the basis of the criteria such as contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role. Independent Director reviewed performance of non-independent directors and the performance of the board as a whole and performance of the Chairman, taking into account the views of the same was discussed in the board meeting that followed after the review.

## **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 stated in the Corporate Governance Report, which forms part of the Board's Report.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

## **HUMAN RESOURCES**

Company's relations with the employee continued to be harmonious and cordial during the year under review.

## **AUDITORS**

### **(1) Statutory Auditors:**

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors is done at Annual General Meeting.

### **(2) Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed SAT & Associates as Secretarial Auditor (CP No. 11978) to undertake the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report is annexed herewith.

The Secretarial Audit Report for the financial year ended March 31, 2019 contains observations. Directors' reply on the Auditors comment is as follow:

Explanation for observations:-

Due to financial constraints Company had not released, certain advertisement in the newspaper which will be released in the future. The Company provide for retirement benefits on cash basis as No. of employees are less.

## **OPPORTUNITIES, THREATS, RISK AND CONCERNS**

There are good opportunities in operations of the core business activities of dealing in Securities and stressed Assets; However Dealing in securities and specially in Derivatives carries high risk. The Company is also in need of more funds to deal in stressed Assets.

## **SEGMENT WISE PERFORMANCE**

The Company doesn't have any functional segment right now.

## **FINANCIAL PERFORMANCE**

A summary of the financial performance vis-à-vis operational performance is disclosed in Board's Report.

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has adequate internal control systems including suitable monitoring procedure commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorization and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

## **CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include financial position of the company, economic conditions affecting demand / supply, price conditions in the domestic and overseas market in which the company operates, changes in the government regulations, tax laws and other statutes.

## **AUDIT COMMITTEE & NOMINATION AND REMUNERATION COMMITTEE:**

The details pertaining to composition of audit committee & Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report.

## **RISK MANAGEMENT:**

The Board of the Company has formed a Risk Management Committee. The Committee is responsible for reviewing implementing and monitoring the risk management plan and ensuring its effectiveness. Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

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

The Company has not provided any loans and not given any guarantees nor provided securities to any of the entities or made investments pursuant to Section 186 of the Companies Act, 2013 during the year under review.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.**

Particulars of contract or arrangement with related parties as referred in sec 188 (1) of Companies Act 2013 in prescribed form AOC-2 is appended to Board Report.

## **CSR POLICY**

The Company does not fall in any of the criteria as set out in Section 135(1) of the Act and accordingly Company is not required to comply with the same in respect of Corporate Social Responsibility.

## **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE.**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employee at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee headed by Women Director, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment if any and recommend appropriate actions.

The Company has not received any complaint of sexual harassment during the financial year 2018-2019.

## **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted a Vigil Mechanism /Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

## **SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS:**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company as well as operation of the Company in future. Bombay Stock Exchange had appointed forensic auditor to verify the revival of the Company. They have clearly indicated that there is no misuse or diversion of funds.

**PARTICULARS OF EMPLOYEES AND REMUNERATION:**

Pursuant to the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, no employee of the Company was paid remuneration exceeding the prescribed limits, during the Financial year 2018-19.

**EXTRACT OF ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure -III".

**A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:**

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the independent director has given declarations of independence in the first board meeting of the current financial year.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND BALANCE SHEET DATE:**

There are no material changes and commitments that would affect financial position of the company from the end of the financial year of the company to which the financial statements relate and the date of the directors report.

**ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**A) Conservation of Energy:**

Your Company is serious in conserving energy by reducing consumption of power in the offices has not made any capital investment.

**B) Technology absorption:**

Your Company has taken new initiative towards Investment technology for absorption which are developed in house and therefore not made any expenditure on research and development.

**C) Foreign Exchange earnings and outgo:**

There is no inflow or out flow of Foreign exchange during the year.

**D) The change in nature of business:**

There is change in nature business of the company during the year under review as stated above.

**STATEMENT OF COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS**

In terms of clause no. 9 of Revised SS-1 (Revised Secretarial Standards on meeting of Board of Directors effective from 20/01/2017) your directors state that the Company is compliant of applicable Secretarial Standards during the year review.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from all the stakeholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

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

Place: Mumbai  
Dated: 05-09-2019

**DHIREN MEHTA**  
**CHAIRMAN**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

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

**Secretarial Audit Report**  
**For the Financial Year ended March 31, 2019**

**To,**  
**The Members,**  
**STERLING GUARANTY & FINANCE LIMITED.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STERLING GUARANTY & FINANCE LIMITED** (CIN-L65990MH1983PLC031384) (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We herewith report that maintenance of proper and updated books, papers, Minutes books as mentioned in **Annexure-I**, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2019, accordingly to the applicable provisions, if any, 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14<sup>th</sup> May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15<sup>th</sup> May, 2015);
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable for the period under audit;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable for the period under audit;
  - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable for the period under audit;
  - g. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008 – Not applicable for the period under audit.
- VI. We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for Compliances under other applicable Act, Laws and Regulations of the Company.
- VII. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned below:
  - i) Reserve Bank of India Act, 1934
  - ii) All the Rules, Regulations, Guidelines and Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934.



We have also examined compliances with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1<sup>st</sup> December, 2015) as amended;
- iii) The listing Agreement entered into by the Company with the BSE Limited.

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

1. **The Company has fully complied with requirement of section 203 read with rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 by appointing Company Secretary, CEO and CFO.**
2. **The Company has provided its shareholders with the facility of e-voting under section 108 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 for the 34<sup>th</sup> AGM dated 28<sup>th</sup> December 2018.**
3. **Nomination and Remuneration committee is constituted under section 178 of the Companies Act 2013.**
4. **As per Regulation 33 of LODR, 2015, the Company has published Notice of the Board Meeting in the newspapers for the year 2018-19.**
5. **As per Regulation 9 SEBI (Prohibition of Insider Trading), 2015 the Company has given Trading Window Closure Notice of the Board Meeting conducted during the financial year 2018-19. No employees/directors/Key Managerial Personnel have traded in the Company's securities during the year as given in the Management Declaration.**

**We further report that:**

The Board of Directors of the Company is duly constituted. - There have been changes in the Board composition during the audit period and are fit and proper persons as per the Nomination and Remuneration Committee constituted u/s 178 of the Companies Act 2013 and the Rules. There have been changes in the Board composition during the audit period. The independent directors Ms. Geeta Ashar and Mr. Sunil Jangir, independent directors has expressed their unwillingness to be re-appointed so the company has appointed new Independent Director Ms. Savita Kumawat and Woman director Ms. Aditi Mehta.

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 are captured and recorded as part of the minutes.

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

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. Ms. Richa Sharma is appointed as Company Secretary & Compliance Officer.
2. Ms. Aditi Mehta is appointed as Woman Director, CFO & CEO.
3. Ms. Savita Kumawat is appointed as Independent Director.

**Date: April 22, 2019**

**Place: Mumbai**

**For SAT & ASSOCIATES**

**Company Secretary**

**Sd/-**

**SUNIL THAKUR**

**(Proprietor)**

**ACS No. 24713**

**CP No.11978**

**Annexure – I**

**BOOKS, PAPERS AND MINUTE BOOKS MAINTAINED BY THE COMPANY**

1. Book containing the Minutes of Board Meeting, General Meeting and Committee Meeting.
2. Book of accounts.
3. Register of Members.
4. Register of index of members.
5. Register of Transfer.
6. Register of Directors and Key managerial personnel and their shareholding.
7. Register of Charges.
8. Register of investments or loans made, guarantee or security provided.
9. Register of particulars of contracts.
10. Attendance Register.

**Annexure -II**

**OTHER APPLICABLE LAWS**

1. Income Tax Act, 1961
2. Standard Weight & Measure Act, 1976
3. Contract Labour (Regulation & Abolition) Act, 1970
4. Banking Regulation Act, 1949
5. Indian Contract Act, 1872
6. Sale of Goods Act, 1930
7. Registration Act, 1908
8. Negotiable Instruments Act, 1881
9. The Child Labour (Prohibition and Regulation) Act, 1986
10. The Workmen's Compensation Act, 1923

**ANNEXURE-2**

**FORM NO. AOC-2**

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

Form for Disclosure of particulars of contracts/Arrangements entered into by the company related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transaction not at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of Relationship	NIL
b)	Nature of contracts/ arrangements/ transactions	NIL
c)	Duration of the contracts/ arrangements/ transactions	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any:	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	1. Dhiren Mehta (Chairman) 2. Aditi Mehta (Daughter of the Chairman) 3. Sterling Investments (India) Limited (Company in which director is a director) 4. Indistock Securities Limited (Company in which director is a director) 5. Indistock Financial Service Pvt. Ltd. (Company in which Director's Son is Director)
b)	Nature of contracts/ arrangements /transactions	Loan taken and loan repaid. Margin deposit and payments for dealing in Securities to Indistock Securities Ltd. as NSE Broker.
c)	Duration of the contracts /arrangements/ transactions	On going transactions
d)	Salient terms of the contracts or arrangements or transactions, if any:	Sterling Investments (India Ltd has given interest free loan to revive the Company and Indistock Securities Ltd. is charging low brokerage @ 0.001%
e)	Date(s) of approval by the Board, if any:	05-04-2018
f)	Amount (Rs.)	1. Loan taken from Sterling Investment (India) Limited of Rs. 29,60,000/- 2. Loan repaid to Indistock Financial Services Pvt. Ltd. of Rs. 2,75,000/- 3. Margin money given for F&O transactions, purchase and sale of securities to Indistock Securities Ltd. Rs. 7,05,152 /- as at year end 4. Advisory Fees received from Indistock Securities Ltd. Rs. 2,00,000/- & Sterling Investments (India) Ltd. Rs. 2,00,000/- 5. Reimbursement of Expenditure paid to Indistock Securities Ltd Rs. 2,12,976/- outstanding at the year-end Rs. 27,640/-.

**ANNEXURE- III**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2019**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L65990MH1983PLC031384
2.	Registration Date	21-11-1983
3.	Name of the Company	STERLING GUARANTY & FINANCE LIMITED
4.	Category/Sub-category of the Company	Public company/ limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	91-A, Mittal Court, Nariman Point, Mumbai – 400021 Tel: 022-22840078/22840019/22840029 E-Mail : <a href="mailto:sterling.guaranty@gmail.com">sterling.guaranty@gmail.com</a>
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Pvt. Ltd. 9 Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Exxelus, Lower Parel (East) Mumbai 400 011. Tel: 022-23018261/23016761 E-Mail : <a href="mailto:sterling.guaranty@gmail.com">sterling.guaranty@gmail.com</a>

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	Financial Recoveries	6491	100

\*As there were no operation/business activities carried out during the year under report, the question of disclosure of business activities contributing 10% or more does not arise.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company does not have any Holding, Subsidiary and Associate Company during F.Y. 2018-19.

SN	Name and Address of the company	CIN/GIN	Holding/Subsidiary/ Associate yuhtgjyjhjk	% of shares held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity**

**a )\_Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	10,92,284	100	10,92,384	16.71	10,92,384	0	10,92,384	16.71	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	20,20,968	4,454	20,25,422	30.98	20,25,422	0	20,25,422	30.98	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Sub – Total	31,13,252	4,554	31,17,806	47.69	31,17,806	0	31,17,806	47.69	0.00
<b>(2) Foreign</b>									0.00
a) NRIs –Individual	0	0	0	0	0	0	0	0	0.00
b) Other - Individual	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any other	0	0	0	0	0	0	0	0	0.00
Sub –Total	0	0	0	0	0	0	0	0	0.00
<b>Total shareholding of Promoter (A) =(A) 1 + (A) 2</b>	31,13,252	4554	31,17,806	47.69	31,17,806	0	31,17,806	47.69	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	62,700	100	62,800	0.96	62,700	100	62,800	0.96	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	0	0	0	0	0	0	0	0	0.00

h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Financial	0	700	700	0.01	0	700	700	0.01	0.00
<b>Sub-total (B)(1):-</b>	0	62,700	800	0.97	62,700	800	63,500	0.97	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
i) Indian	0	4,32,036	4,32,036	6.61	1,29,199	2,29,287	3,58,486	5.48	(0.01)
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals	0	0	0	0	0	0	0	0	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	27,92,058	27,92,058	42.71	1,36,674	26,55,130	27,91,804	42.70	(0.01)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1,31,700	1,31,700	2.01	15,235	1,88,300	2,03,535	3.11	0.00
	0	0	0	0	0	0	0	0	0.00
c) Others (specify)	0	0	0	0	500	0	500	0.01	0.00
Non Resident Indians	0	0	0	0	0	0	0	0	0.00
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0.00
Foreign Nationals	0	0	0	0	0	0	0	0	0.00
Clearing Members	0	0	0	0	0	0	0	0	0.00
Trusts	0	0	0	0	0	0	0	0	0.00
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0.00
Hindu Undivided Family	0	0	0	0	900	1,069	1,969	0.03	0.01
Director & Their Relatives	0	500	0	0.01	0	0	0	0	0.00
<b>Sub-total (B)(2):-</b>	0	33,56,294	33,56,294	51.34	2,82,508	30,73,786	33,56,294	51.34	0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	34,19,794	34,19,794	52.31	3,45,208	30,74,586	34,19,794	52.31	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	0	65,37,600	65,37,600	100.00	34,63,014	30,74,586	65,37,600	100.00	0.00

B) Shareholding of Promoter-

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		Number of shares	% of total shares of the company	% of shares pledge / encumbered to total shares*	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares*	
1	DHIREN DHIRAJLAL MEHTA	9,14,401	13.99	0.00	9,14,401	13.99	0.00	0.00
2	MEENA DHIREN MEHTA	1,74,370	2.67	0.00	1,74,370	2.67	0.00	0.00
3	DHARMEN DHIREN MEHTA	3,113	0.05	0.00	3,113	0.05	0.00	0.00
4	ADITI DHIREN MEHTA	500	0.01	0.00	500	0.01	0.00	0.00
5	COMPUTRON SYSTEMS PVT LTD	1,50,000	2.29	0.00	1,50,000	2.29	0.00	0.00
6	STERLING INVESTMENTS (INDIA) LTD.	10,47,872	16.03	0.00	10,47,872	16.03	0.00	0.00
7	INDISTOCK SECURITIES LTD.	8,27,550	12.66	0.00	8,27,550	12.66	0.00	0.00
<b>TOTAL</b>		<b>31,17,806</b>	<b>47.69</b>		<b>31,17,806</b>	<b>47.69</b>	<b>0.00</b>	

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

SN	Particulars	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	31,17,806	47.69	31,17,806	47.69
1	STERLING INVESTMENTS (INDIA) LTD.	10,47,872	16.03		
	29-06-2018			-2,12,450	-3.25
	At the end of the year	10,47,872	16.03	8,35,422	16.03
2	DHIREN DHIRAJLAL MEHTA	9,14,401	13.99	9,14,401	13.99
3	INDISTOCK SECURITIES LTD	8,27,550	12.66	8,27,550	12.66
4	MEENA DHIREN MEHTA	1,74,370	2.67	1,74,370	2.67
5	COMPUTRON SYSTEMS PVT. LTD.	1,50,000	2.29		
	29-06-2018			2,12,450	3.25
	At the end of the year	1,50,000	2.29	3,62,450	5.54
6	DHARMEN DHIREN MEHTA	3,113	0.05	3,113	0.05
7	ADITI DHIREN MEHTA	500	0.01	500	0.01

Note : There is no change in the total shareholding of promoters between 01-04-2018 and 31-3-2019.  
There were no inter Transfer among Promoters during F.Y. 2018-19.

**D) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Date	Increase or Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		Number of shares	% of total shares of the company				No. of Shares	% of total Shares of the company
1	Bhavna Holdings Pvt. Ltd.	1,68,000	2.57		Nil		1,68,000	2.57
2	Nirmal Bagri	71,700	1.10		Nil		71,700	1.10
3	Bank of India	62,700	0.96		Nil		62,700	0.96
4	Insure Electro (SMB) Pvt. Ltd.	56,800	0.87		Nil		56,800	0.87
5	Vinod Hingorani	25,200	0.39		Nil		25,200	0.39
6	Ellenbarrie Finlest Limited	21,650	0.33		Nil		21,650	0.33
7	Mahendra Vasantrai Doshi	15,235	0.23		Nil		15,235	0.23
8	Priya International Ltd.	15,100	0.23		Nil		15,100	0.23
9	Rakesh Dunganarshi Shah	15,100	0.23		Nil		15,100	0.23
10	Santosh Kumar Jain	15,100	0.23		Nil		15,100	0.23

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	DHIREN D. MEHTA Chairman				
	At the beginning of the year	9,14,401	13.99	9,14,401	13.99
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	9,14,401	13.99	9,14,401	13.99
2.	ADITI D. MEHTA Women Director-CEO & CFO				
	At the beginning of the year	500	0.01	500	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	500	0.01	500	0.01
3.	SAVITA DUNGARAM KUMAWAT Independent Non- Executive Director				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	0	0.00	0	0.00



## V INDEBTEDNESS –

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

	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>		(Inter Corporate Deposit)		
i) Principal Amount	Nil	70,40,000	Nil	70,40,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	70,40,000	Nil	70,40,000
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	29,60,000	Nil	29,60,000
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	29,60,000	Nil	29,60,000
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	1,00,00,000	Nil	1,00,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	1,00,00,000	Nil	1,00,00,000

\* Unsecured Loan represents the Inter Corporate Deposit borrowed by the Company

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

B. The company has not paid any Remuneration including salary during the year to Whole-time Directors and/or Manager: \

### C. Remuneration to other directors

D. . Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD :

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	Nil	1,80,000	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>	Nil	1,80,000	Nil	Nil

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no instances of any penalties / punishment /compounding of offences for the year ended 31<sup>st</sup> March 2019.

Place : Mumbai

Date : 05<sup>th</sup> September, 2019

By the Order of the Board  
Sterling Guaranty & Finance limited

Dhiren D Mehta  
Chairman

**CEO/ CFO Certification:**

MS. Aditi D. Mehta, Director, CEO & CFO of the Company. They has certified to the Board that:

- a. They have reviewed financial statements and cash flow statements for the year and that to the best of their knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together presents a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of their knowledge and belief, no transactions entered in to by the company during the period which are fraudulent, illegal or violative of the company's code of conduct.
- c. They have accept responsibility for establishing and maintaining internal controls for financial reporting and they have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. They have indicated to the auditors and the Audit committee.
  - I. significant changes in internal control during the year;
  - II. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Ms. Aditi D. Mehta

CEO & CFO

Place: Mumbai

Date: 25-05-2019

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2018-19**

**Company's Philosophy**

The philosophy of the Company represents the value frame work, rules, practices by which Sterling conducts its business activities. It essentially involves balancing the interests of stakeholders in a company which include its shareholders, management, customers, government, lenders, creditors, and employees. The Company has a strong legacy of last 34 years of fair, transparent and ethical governance practices. The Company was advised to do reduction of present Equity Capital by reducing face value of Equity shares from Rs. 10 to Rs.1 as net worth of the company became negative. It also planned to issue Rights Equity shares of face value of Rs.1 at par to raise Rs. 390 Lacs thereafter. BOD cancelled these proposal of Reduction of capital in the interest of public shareholders, though it was approved in 33<sup>rd</sup> AGM. Consequentially proposed of Rights issue of Rs. 390 lacs by Public Issue of Equity shares of Face Value of Rs.1 was cancelled. It is now propose to issue 15 lacs Equity shares of face value of Rs. 10 each for cash at par to the promoters. The Auditors appointed by BSE has confirmed that there is no financial irregularity or Diversion of funds of the Company.

The Company has also adopted a Code of Conduct for its employees including the CEO and has Code of conduct for its non-executive director including the Independent Director. It suitably incorporates their duties as laid down in the Companies Act, 2013 ("the Act"). Your Company is in compliance with Listing Agreement with BSE and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 aligned with Companies Act, 2013.

**1. Board of Directors**

The Board of Directors as at 31st March, 2019 comprised of three Directors as the Chairman, one Woman Director-CEO and one Independent Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulation, 2015 and Section 149 of the Companies Act, 2013.

During the year, Eight Board Meetings were held on 05-4-2018, 29-05-2018, 10-08-2018, 12-09-2018, 25-09-2018, 26-10-2018, 03-12-2018 and 29-01-2019

The Composition of the Board of Directors and their attendance at the Board Meetings during the year and the last Annual General Meeting are as follows:

Name of the Director	Category of Director	No. of Board Meetings attended during 2018-19		Attendance at last AGM	No of directorship in other domestic Public Companies as a		No. of Committee Chairmanship / Membership in other Companies as a	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Dhiren D. Mehta	Chairman	8	8	Yes	2	----	3	---
Ms. Aditi D. Mehta	Director	8	6	Yes	2	1	----	2
Ms. Savita D. Kumawat	Independent Director-Non Executive	8	5	Yes	----	----	---	----

**Shareholding of Directors:**

Name of Directors	No. of Shares	% of the Capital
Mr. Dhiren D. Mehta	9,14,401	13.99
Ms. Aditi D. Mehta	500	0.01

None of the Directors on the Company's Board is holding office of the Director in more than 20 (Twenty) Companies including 10 (Ten) Public Companies. Independent Directors are also not holding office of Director in more than 7 (Seven) Listed Companies. Further, none of the Director is a Member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the companies in which he acts as Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2019 have been made by the directors.

Independent director is a non-executive director. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). The Independent Director has given declaration confirming that she meets the criteria as mentioned under SEBI (LODR) Regulation 2015 and Section 149(6) of the Act.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

The Company has familiarization program for directors including Independent Director has been disclosed on the website of the Company - [www.sterlingguaranty.com](http://www.sterlingguaranty.com).

## COMMITTEES OF THE BOARD

### 1. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the LODR read with Section 177 of the Act.

Terms of reference:

- The terms of reference of the Committee is aligned with the terms of reference provided under Section 177(4) of the Act and provisions of Regulation 18 of LODR.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosure as well as the integrity and quality of the financial reporting.

The Committees is consisted of one independent Director Ms. Savita D. Kumawat and one Executive Director viz. Aditi D. Mehta. The Committee met on 10-08-2018, 26-10-2018, 29-01-2019 and 25-04-2019.

During the year, the attendance of the members at the meetings was as follows:

Name of the Director	Category of Director	Status Meetings	
		Held	Attended
Ms. Savita D. Kumawat	Chairman	4	2
Ms. Aditi D. Mehta	Member	4	2

### 2. Nomination and Remunerations Committee:

The Committee consists of one Independent Directors viz. Ms. Savita D. Kumawat. Mr. Dhiren D. Mehta and Ms. Aditi D. Mehta as member. The Committee met on 14-09-2018 and 03-12-2018.

During the year, the attendance of the members at the meetings was as follows:

Name of Members	Category	Status Meetings	
		Held	Attended
Mr. Dhiren D. Mehta	Chairman	2	2
Ms. Aditi D. Mehta	Member	2	2
Ms. Savita D. Kumawat	Member	2	2

The Nomination & Remuneration Committee has been constituted to recommend / review remuneration of the Executive Director and KMP based on their performance and defined assessment criteria. Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice. No remuneration is paid to Chairman and CEO thus it is within the overall limit fixed under the law. As of now, the Company does not have any employee stock option plan. There were no other pecuniary relationships or transactions given to Non-Executive Director vis-à-vis the Company.

#### The broad terms of reference are as under:

- Formulation of the 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 employee
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice. Directors are paid sitting fees of Rs.3,000. Rs. 7,000 is paid as travelling expenses for attending every Board Meetings, if they come out of Mumbai.

### Stakeholders' Relationship Committee

The Committee consisted of two Independent Directors viz Ms. Savita D. Kumawat , as the Chairman. Ms. Aditi D. Mehta became member of the committee with effect from 03-12-2018. The Committee, inter alia, oversees and reviews all matters connected with the shares of the Company and looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. The Committee oversees the performance and the working of the Secretarial Department and recommends measures for overall improvement in the quality of investor services.

As on 31.03.2019, there was only Nil Investor Grievances remaining pending/ unresolved.

### **Independent Director Meeting**

One separate meeting of Independent Director with KMP held on 13-04-2018 with KMP of the Company. Independent Directors at their meeting discussed following matters in relation to FY-2018-19:-

- Evaluation of performance of Non-Independent Director and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company;
- Evaluation of the quality, quantity, content and timelines of flow of information between management and the Board, for the Board to effectively and reasonably perform its duties.

### **General Body Meetings**

Particulars of the last three Annual General Meeting held and Special Resolutions passed thereat are as under.

#### 34<sup>th</sup> AGM

The 34th Annual General Meeting for the year ended 31<sup>st</sup> March 2018 was held at Ashok Birla Board Room, Indian Merchant's Chamber, Church gate, Mumbai 400 021 on Friday, 28<sup>th</sup> December 2018 at 11.00 a.m.

1. AGM Approved the Change in Name of the Company as stated in Notice by way of expediency. However later it was found it not necessary and hence Board of Directors recommended to Rescind in 35<sup>th</sup> AGM.
2. AGM Approved the alteration of the object clause of the Memorandum of Association of the Company by removing the existing object clause of Leasing & Hire purchase business and approving the Dealing in Securities, and Dealing in stress Assets and Giving legal and Investments advisory services as main object.
3. AGM approved deletion in Articles of Association of the Company that Dhiren D. Mehta permanent Director is not liable to retire by rotation and Article 112 & 114 were deleted. Which gave powers to appoint the Promoters to appoint four Directors.
4. AGM approved in principal to the Board of Directors to consider delisting of Company's shares from BSE. As on date Board of Directors do not advise to go for Voluntary Delisting of equity shares of the company from BSE, as Company propose to issue Equity shares by Private Placement

#### 33rd AGM

The 33rd Annual General Meeting for the year ended 31<sup>st</sup> March 2017 was held at office of Indistock Securities Ltd. 91 A Mittal Court, Nariman Point Mumbai –400021 on Friday, 29<sup>th</sup> September 2017 at 11.00 a.m.

1. AGM approved for Reduction of face value of issued subscribed Equity Shares of the Company from Rs. 10 to Rs. 1. However Board of Directors later decided not to do in the interest of shareholders and hence it is being recommended to Rescind in 35<sup>th</sup> AGM.
2. The AGM approved the special resolution to dematerialize the Equity shares of the Company as required by the Companies Act, 2013 and SEBI.
3. The Resolution was passed for issue of rights equity shares as stated in the Notice. However Board of Directors found it not practical as Company is having negative net worth and hence Board of Directors has recommended to Rescind it in 35<sup>th</sup> AGM.
4. Approval of resolution for Alteration of Memorandum and Articles of Association to change Authorized Equity Share Capital to face value of Rs. 1 is being rescinded as Face value is not recommended to change. Therefore Board of Directors has recommended to rescind the resolution in the 35<sup>th</sup> AGM.

#### 32<sup>nd</sup> AGM

The 32nd Annual General Meeting for the year ended 31<sup>st</sup> March 2016 was held at office of Indistock Securities Ltd. 91 A Mittal Court, Nariman Point Mumbai –400021 on Friday, 30<sup>th</sup> September 2016 at 11.00 a.m.

There was no Special Resolution was passed.

There was no Extra Ordinary General Meeting held during F.Y. 2018-19.

All the resolutions, including special resolution(s) set out in the respective notices were passed by the Shareholders, with requisite majority.

None of the items transacted at the said meetings were required to be passed by postal ballot at the forthcoming Annual General Meeting to be held.

Disclosure of Related Party Transactions:

- a. There were no significant related party transactions that may have potential conflict with the interest of the Company at large.
- b. No penalties or strictures have been imposed on the Company by SEBI or any Statutory Authority on any matter related to capital markets.

### **Compliance of Mandatory Requirements:**

The Company has materially complied with the mandatory requirements as stipulated in LODR

**Compliance of Non-Mandatory Requirements:**

The Company has not adopted any non-mandatory requirements.

**Code of Conduct:**

The Board of Directors of the Company has adopted Code of Conduct for all Board Members of the Company and Senior Management. The Board Members have affirmed compliance to the Code of Conduct. The Company has been posting on its website, the Code of Conducts adopted by its Directors.

**Means of Communication:**

The quarterly, half-yearly and yearly financial results of the Company are normally sent to the BSE, immediately after the same are approved by the Board. Though, due to financial constraints the results could not be published in newspapers, they are submitted to the BSE in accordance with the Listing Agreement and are supplied through E-Mail & posts to the Shareholders, on demand.

**General Shareholder Information :**

- (a) 35th Annual General Meeting  
Date and Time : 30th September, 2019 at 10.30 A.M.  
Venue : Walchand Centre for Business Training, 3<sup>rd</sup> Floor,  
Indian Merchants' Chamber,  
Churchgatte, Mumbai 400 020.
- (b) Financial Year: : Year ended March 31, 2019
- (c) Dates of Book Closure : From Tuesday, 24th September, 2019 to Monday, 30th  
September, 2019 (both days inclusive)
- (d) Dividend payment Date :Not Applicable
- (e) Listing on Stock Exchange : BSE Limited, Mumbai
- (f) Company Code : 508963

- (h) Registrar & Transfer Agents : Purva Sharegistry (India) Pvt. Ltd.  
9 Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Near Lodha Execelus,  
Lower Parel East,  
Mumbai-400 011.  
Email : [support@purvashare.com](mailto:support@purvashare.com)  
Telephone No. 022-23018261/23016761  
Website : [www.purvashare.com](http://www.purvashare.com)

(j) **Share Transfer System :**

Shares lodged for transfer in physical form are processed and duly transferred Share Certificates are sent within 15 days of receipt of the valid documents. The Shares are transferred at an interval of 15 days time.

(j) **Distribution of Shareholding :**

- (a) The Distribution of Shareholding as on 31<sup>st</sup> March 2019

No. of Shares held		No of Shareholders		Share Amount	
No.	No.	Number	% of total	(in Rs.)	% to Total
Upto	5000	14,214	95.18	1,96,14,200.00	30.00
5001	10000	450	3.01	34,60,320	5.29
10001	20000	167	1.12	24,38,900	3.73
20001	30000	47	0.31	11,75,950	1.80
30001	40000	14	0.09	5,09,390	0.78
40001	50000	4	0.03	1,88,730	0.29
50001	100000	13	0.09	8,78,730	1.34
100001	and above	25	0.17	3,71,09,780	56.76
<b>Total</b>		<b>14,934</b>	<b>100.00</b>	<b>6,53,76,000</b>	<b>100.00</b>

(b) Shareholding Pattern as on 31<sup>st</sup> March 2019.

(l) Outstanding GDRs / ADRs : Not Applicable Warranty

Category Code	Category of shareholder	No. of shareholder	Total No. of Shares	% to total
( A )	<b>Shareholding of Promoter and Promoters Group</b>			
1.	Indian	7	31,17,80	47.6
2.	Foreign	0	0	0.00
	Sub Total	7	31,17,80	47.6
( B )	<b>Public Shareholding</b>			
1.	Institution	3	63,500	0.97
2.	Non Institution	1492	33,56,29	51.3
	Sub Total	1493	34,19,79	52.3
( C )	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>			
1.	Promoter and Promoter Group	0	0	0.00
2.	Public	0	0	0.00
	Sub Total	0	0	0.00
	Grand Total A+ B + C	1493	65,37,60	100.0

(k) Address of Correspondence: Registrar & Transfer Agents:

Purva Sharegistry (India) Pvt. Ltd.  
9 Shiv Shakti Industrial Estate,  
J. R. Boricha Marg, Near Lodha Execelus,  
Lower Parel East, Mumbai-400 011.  
Email : [support@purvashare.com](mailto:support@purvashare.com)  
Telephone No. 022-23018261/23016761  
Website : [www.purvashare.com](http://www.purvashare.com)

**Or**

Sterling Guaranty & Finance Limited  
91-A, Mittal Court,  
Nariman Point, Mumbai 400 021.

For & On behalf of the Board of Directors

Place: Mumbai  
Date: 05-09-2019

Dhiren D Mehta  
Chairman  
(DIN : 00036743)

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Sterling Guaranty & Finance Limited Report on the Audit of Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Sterling Guaranty & Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

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

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

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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



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

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

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit 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.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except Ind AS – 19 Retirement Benefits.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For J H Bhandari & Co.**  
Chartered Accountants  
Firm Reg. No. 138960W

Place: **Mumbai**  
Date: **25<sup>th</sup> April, 2019**  
**Jinal Bhandari**  
Proprietor  
Membership No: 158795

## **Annexure - A to the Auditors' Report**

### **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 my audit of the standalone financial statements of the Company as of and for the year ended 31 March, 2019, I have audited the internal financial controls over financial reporting of **STERLING GUARANTY & FINANCE LIMITED** ("the Company") in conjunction with my 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**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In my 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 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J H Bhandari & Co.**  
Chartered Accountants  
Firm Reg. No. 138960W

Place: **Mumbai**  
Date: **25<sup>th</sup> April, 2019**

**Jinal Bhandari**  
Proprietor  
Membership No: 158795

**“Annexure B” to the Independent Auditors’ Report**

The Annexure referred to in paragraph 1 of my Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2019, I report that:

- (i) The Company does not have any fixed assets and hence the reporting requirements contained in clause 4(i) of the order regarding inventory are not applicable to the company.
- (ii) The Company has dealt into inventories i.e. shares and securities which cannot be physically verified as they are in D-mat form. However, as per the information given to us by the management, the company has maintained proper records of inventories and no material discrepancies were noticed on verification of inventories from D-mat Statement as compared to book records.
- (iii) In my opinion and according to the information and explanations given to me, the company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, the provisions of Clause 3(iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In my opinion and according to the information and explanations given to me, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities as applicable.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to me, the Company did not have any dues on account of duty of excise, sales tax, duty of customs, service tax or any other statutory dues outstanding for more than 6 months.  
(b) According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.
- (viii) As per the information and explanation given to me, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (ix) As per the information and explanation given to me, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to me, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of my audit.
- (xi) According to the information and explanations give to me and based on my examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to me and based on my examination of the records of the Company, the Company has not made any preferential allotment during the year which is prejudicial to the interest of the company.
- (xv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For JH Bhandari & Co.**  
Chartered Accountants  
Firm Reg. No. 138960W

Place : **Mumbai**  
Date : **25<sup>th</sup> April, 2019**

**Jinal Bhandari**  
Partner  
Membership No: 158795

**STERLING GUARANTY & FINANCE LIMITED**  
Balance Sheet as on 31st March, 2019

Particulars	Note No.	31/03/2019	31/03/2018
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment			
Capital Work-In-Progress			
Investment Properties			
Goodwill			
Other Intangible Assets			
<b>Financial Assets</b>			
Investments			
Loans and Advances		-	-
Other Financial Assets			
Deferred Tax Assets (Net)			
Other Non-Current Assets			
<b>Total Non-Current Assets</b>		-	-
<b>Current Assets</b>			
Inventories	1(a)	1,696,144	-
Financial Assets			
i. Investments			
ii. Trade Receivables			
iii. Cash and Cash Equivalents	1(b)	1,000,070	54,775
iv. Loans and Advances	1(c)	66,115	-
v. Other Financial Assets			
Other Current Assets	1(d)	1,174,828	-
Assets classified as held for sale			
<b>Total Current Assets</b>		3,937,157	54,775
<b>Total Assets</b>		<b>3,937,157</b>	<b>54,775</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2(a)	65,376,000	65,376,000
<b>Other Equity</b>			
Reserves & Surplus	2(b)	(72,195,517)	(72,380,475)
Other Reserves		-	-
<b>Total Equity</b>		<b>(6,819,517)</b>	<b>(7,004,475)</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	3(a)	10,000,000	7,040,000
ii. Other Financial Liabilities	3 (b)	647,408	-
Provisions			
Employee Benefit Obligations			
Deferred Tax Liabilities			
Government Grants			
Other Non Current Liabilities			
<b>Total Non Current liabilities</b>		<b>10,647,408</b>	<b>7,040,000</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings			
ii. Trade Payables			
iii. Other Financial Liabilities			

Provisions			
Employee Benefit Obligations			
Government Grants			
Current Tax Liabilities			
Other Current Liabilities	4	109,266	19,250
Liabilities directly associated with assets classified held for sale			
<b>Total Current Liabilities</b>		<b>109,266</b>	<b>19,250</b>
<b>Total Liabilities</b>		<b>109,266</b>	<b>19,250</b>
<b>Total Equity and Liabilities</b>		<b>3,937,157</b>	<b>54,775</b>

*The accompanying notes form an integral part of the financial statements.*

**As per our Report of even date**

**For and on behalf of the Board**

**For J H Bhandari & Co.**  
Chartered Accountants  
Firm Reg. No. 138960W

**Jinal Bhandari**  
Proprietor  
M. No. 158795

**Dhiren D. Mehta**  
Chairman  
DIN:

**Aditi D. Mehta**  
Director  
DIN:

Place: Mumbai  
Date: 25-04-2019

Place: Mumbai  
Date: 25-04-2019

STERLING GUARANTY & FINANCE LIMITED  
Statement of Profit and Loss for the 31st March, 2019

Particulars	Note No.	Year Ended 31/03/2019	Year Ended 31/03/2018
Revenue from Operations	5	83,731,436	-
Other Income	6	1,559,529	300,913
Other Gains/ (Losses)- Net		-	556,892
<b>Total income</b>		<b>85,290,965</b>	<b>857,805</b>
<b>Expenses</b>			
Cost of Material consumed			
Purchase of stock-in-trade	7	85,241,471	-
Change in Inventories of work-in-progress, stock in trade and finished goods		(1,696,144)	-
Employee Benefits expenses		348,250	-
Finance Cost	8	603	-
Depreciation and Amortization expense		-	-
Other Expenses	9	1,211,827	950,148
<b>Total Expenses</b>		<b>85,106,007</b>	<b>950,148</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>184,958</b>	<b>(92,343)</b>
Exceptional Items			
<b>Profit Before Tax</b>		<b>184,958</b>	<b>(92,343)</b>
Income tax Expenses			
- Current Tax		-	-
- Deferred Tax		-	-
<b>Profit (Loss) for the period from continuing operations</b>		<b>184,958</b>	<b>(92,343)</b>
<b>Profit (Loss) for the period from discontinued operations</b>		-	-
<b>XIII. Profit (Loss) for the period</b>		<b>184,958</b>	<b>(92,343)</b>

<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Changes in fairvalue of FVOCI debt instruments		
Deferred gains/(losses) on cash flow hedges		
Deferred cost of hedging		
Exchange differences on translation of foreign operations		
Other comprehensive income/(loss) arising from discontinued operations		
Net investment hedge gain		
Income tax relating to these items		
<i>Items that may not be reclassified to profit or loss</i>		
Changes in fair value of FVOCI equity instruments		
Deferred gains/(losses) on cash flow hedges		
Deferred cost of hedging		
Remeasurements of post-employment benefit obligations		
Income tax relating to these items		
<b>Other comprehensive income for the year, net of tax</b>	-	-
<b>Total comprehensive income for the year</b>	<b>184,958</b>	<b>(92,343)</b>
<b>Earnings per equity share</b>		
Basic	<b>0.03</b>	-
Diluted	<b>0.03</b>	-

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

**For J H Bhandari & Co.**  
Chartered Accountants  
Firm Reg. No. 138960W

For and on behalf of the Board

**Dhiren D. Mehta**  
Chairman  
DIN: 00036743

**Aditi D. Mehta**  
Director  
DIN: 01173259

**Richa Sharma**  
Company Secretary

Place: Mumbai  
Date: 25-04-2019

Place: Mumbai  
Date: 25-04-2019

**STERLING GUARANTY & FINANCE LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2019**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Cash flow from operating activities</b>		
Profit for the year	184,958	(92,343)
Adjustments for		
Depreciation and amortization expense		
Deposits	2,960,000	(6,915,000)
Decrease / (Increase) in Trade Receivables		
Decrease /(Increase) in Inventories	(1,696,144)	-
(Decrease) /Increase in Trade Payables	-	
(Decrease) /Increase in Other Current liabilities	90,016	546,600
(Decrease) /Increase in Short Term Loans and Advances	(66,115)	-
(Decrease) /Increase in Other Current Assets	(1,174,828)	-
<b>Cash generated from operations</b>		
Income taxes paid		
<b>Net cash flow from operating activities</b>	297,887	(6,460,743)
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment		
Purchase of investments		
Proceeds from sale of plant, property and equipment		
Proceeds from sale of investment		
Repayment of loans by employees and related parties		
<b>Net cash flow from investing activities</b>	-	-
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	-	6,500,000
Proceeds from borrowings		
Share issue costs		
Repayment of borrowings		
Finance lease payments		
Interest paid		
Dividends paid to company shareholders		
<b>Net cash flow from financing activities</b>	-	6,500,000
<b>Net increase/ decrease in cash and cash equivalents</b>	297,887	39,257
Cash and cash equivalents at beginning of the financial year	54,775	15,518
Effects of exchange rate changes on cash and cash equivalents		
<b>Cash and cash equivalents at end of the year</b>	352,662	54,775
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents as per above comprise of the following		
	<b>31 March, 2019</b>	<b>31 March, 2018</b>
Cash and cash equivalents (note 1(b))	1,000,070	1,070
Bank Overdrafts (note 3(b))	(647,408)	53,705
<b>Balances as per statement of cash flows</b>	352,662	54,775

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For and on behalf of the Board

For J H Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W

Jinal Bhandari  
Proprietor  
M. No. 158795

Place: Mumbai  
Date: 25-04-2019

Dhiren D. Mehta  
Chairman  
DIN: 00036743

Aditi D. Mehta  
Director  
DIN:

Richa Sharma  
Company secretary  
FCS No. F-7624

Place Mumbai  
Date: 25-04-2019



Statement of changes in equity for the year ended 31st March, 2019

**A. Equity share capital**

Particulars	Notes	
As at 1 April 2017		65,376,000
Changes in equity share capital	2	-
<b>As at 31 March 2018</b>		<b>65,376,000</b>
Changes in equity share capital	2	-
<b>As at 31 March 2019</b>		<b>65,376,000</b>

**B. Other equity**

Particulars	Other Equity					Total
	Reserves and Surplus			Other comprehensive income		
	Retained Earnings	Securities premium account	Statutory reserve	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
<b>Balance as at April 1, 2017</b>	(84,041,674)	10,488,542	1,265,000	-	-	(72,288,132)
Profit for the year	(92,343)	-	-	-	-	(92,343)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(84,134,017)</b>	<b>10,488,542</b>	<b>1,265,000</b>	-	-	<b>(72,380,475)</b>
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-
Fair value changes on derivatives designated as cash flow hedge	-	-	-	-	-	-
Fair value changes on investments, net	-	-	-	-	-	-
Equity instruments through other comprehensive income	-	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Issue of equity	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	-	-
<b>Balance as at 31 March, 2018</b>	<b>(84,134,017)</b>	<b>10,488,542</b>	<b>1,265,000</b>	-	-	<b>(72,380,475)</b>

Particulars	Other Equity					Total
	Reserves and Surplus			Other comprehensive income		
	Retained Earnings	Securities premium account	Statutory reserve	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
<b>Balance as at April 1, 2018</b>	(84,134,017)	10,488,542	1,265,000	-	-	(72,380,475)
Profit for the year	184,958	-	-	-	-	184,958
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(83,949,059)</b>	<b>10,488,542</b>	<b>1,265,000</b>	-	-	<b>(72,195,517)</b>
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-
Fair value changes on derivatives designated as cash flow hedge	-	-	-	-	-	-
Fair value changes on investments, net	-	-	-	-	-	-
Equity instruments through other comprehensive income	-	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Issue of equity	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	-	-
<b>Balance as at 31 March, 2019</b>	<b>(83,949,059)</b>	<b>10,488,542</b>	<b>1,265,000</b>	-	-	<b>(72,195,517)</b>

The accompanying notes form an integral part of the financial statements.

As per our Report of even date

For and on behalf of the Board

For J H Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W

Dhiren D. Mehta  
Chairman  
DIN: 00036743

Aditi D. Mehta  
Director  
DIN: 01173259

Jinal Bhandari  
Proprietor  
M. No. 158795

Richa Sharma  
Company secretary  
FCS No. F-7624

Place: Mumbai  
Date: 25-04-2019

Place Mumbai  
Date: 25-04-2019

**STERLING GUARANTY & FINANCE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note No.1- Corporate Information**

The Company is an active company and is carrying out financial services business. The Company had total income of Rs 852.87 lacs (Previous year 8.57 lacs). The Company has interest free borrowings from the promoter company Sterling Investments (India) Ltd. of Rs 100.00 Lacs as on date (Previous Year 70.40 Lacs). The Company has done total expenses of Rs 851.06 Lacs (previous year Rs. 9.50 Lacs).

The Reserve Bank of India by its letter dated 17/02/2016 has advised the company to surrender the Certificate of Registration (COR) Bearing no. 13.01229 dated on 20/04/1999 which is surrendered on 03/04/2018. The Company has not been doing any NBFi business as per the direction issued by the RBI since 2006. The company is not having any public deposit nor any public financial outstanding as on 31/03/2019. During the year equity shares of the company are demoted (ISIN No. INE668Y01016). Promoters holding is 47.69% (No. of shares 3117806) out of this no. of shares 3117806 i.e. 100% has been demoted till 31-03-2019.

**Note No. 2: Significant Accounting Policies**

**i) Statement of Compliance**

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act except for Ind AS 19 - Retirement Benefits

**ii) Basis of Accounting**

The accounts of the company are prepared under the historical convention using accrual method of accounting. There has been no change in the method of accounting as compared to preceding previous year.

**iii) Property, Plant and Equipment :**

The Company does not own any Fixed Assets.

Thus, no Depreciation is provided.

**iv) Impairment of Assets :**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**v) Revenue recognition :**

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

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and the revenue recognition criteria have been complied.

**vi) Retirement Benefits :**

Compensation payable to employees retired is charged out in full in the year in which such expenditure is incurred.

No provision has been made in the books of accounts of the Company on account of retirement benefits of the employees, in accordance with the Ind AS-19, as the same is made on cash basis and shall be provided in the books of the Company as and when paid.

**vii) Inventories :**

Inventories are valued at Fair Value as per applicable Indian Accounting Standards.

**viii) Foreign Currency Transactions :**

**Initial Recognition:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

**Conversion:**

At the year end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates.

**Exchange Differences:**

All exchange differences arising on settlement and/or conversion on foreign currency transaction are included in the Profit & Loss Account.

**ix) Taxation:**

a) Provision for Current Tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by the tax rates as applicable. However, the company has not provided for income tax as there is no income tax payable. b) No Deferred Tax Assets are created in the books of the company as in the opinion of the management, they are not reasonably certain that there will be sufficient future income to recover such Deferred Tax Assets.

**x) Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**xii) Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand and demand deposits with banks.

**xiii) Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Fair value of financial assets and financial liabilities**

All financial assets and liabilities are carried at amortized cost.

The management consider that the carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair value as on March 31, 2019 and March 31 2018.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on Financial assets measured at amortized cost and trade receivables.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

**xiv) Related Party Disclosure:**

As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a) List of related parties with whom transactions have taken place and relationship:

Sr.No.	Name of the Related Party	Relationship
1	Dharmen Mehta	Managing Director
2	Dhiren Mehta	Director
3	Sterling Investments (India) Limited	Company in which director is a director
4	Indistock Securities Limited	Company in which director is a director

b) Transaction during the year with related parties:

<u>Company in which Director is a Director</u>	<u>NATURE</u>	<u>Opening</u>	<u>Taken</u>	<u>Repaid</u>	<u>Closing</u>
-	-				
Sterling Investments (India) Limited	LOAN TAKEN	7,040,000	2,960,000	-	10,000,000
		(6,640,000)	(600,000)	(200,000)	(7,040,000)
Indistock Securities Limited	SHARE BROKER	-	85,010,942	85,716,094	(705,152)
		(NIL)	(NIL)	(NIL)	(NIL)
Indistock Securities Limited	REIMBURSEMENT OF EXPENDITURE &	-	392,976	420,616	(27,640)
	ADVISORY FEES	(NIL)	(NIL)	(NIL)	(NIL)
Indistock Financial Services Pvt. Ltd.	LOAN TAKEN	-	-	-	-
		(275,000)	-	(275,000)	-
	<b>Total</b>	<b>7,040,000</b>	<b>87,970,942</b>	<b>85,716,094</b>	<b>9,294,848</b>

For Sterling Guaranty & finance Ltd

For J H Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W

Jinal Bhandari  
Proprietor  
M. No. 158795

Place: Mumbai  
Date: 25-04-2019

Dhiren D. Mehta  
Chairman  
DIN: 00036743

Aditi D. Mehta  
Director  
DIN: 01173259

Richa Sharma  
Company secretary  
FCS No. F-7624

Place Mumbai  
Date: 25-04-2019

xv) **OTHER NOTES**

**a) Expenditure in foreign currency during the financial year on account of :**

Foreign Traveling Expenses – (Rs. Nil)

**b) Critical accounting judgements and key sources of estimation uncertainties:**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**c) Trade Payables:**

Unpaid amount as on 31.03.2019 to Micro, Small and Medium Enterprises Development Act, 2006 could not be ascertained by the Company in absence of classification information as to the status of the supplier. Hence such information is not disclosed in the financial statements.

d) Provision for Bad & doubtful Debts is made based on the RBI guidelines to Non-Banking Financial Companies Prudential Norms.

e) The Company had followed the Guidelines issued by the Reserve Bank of India to all Non-Banking Financial Companies regarding Asset Classification, Provisioning for and income recognition on non-performing assets as applicable to it. However the Net Owned Funds of the company has fallen below the minimum prescribed limit of Rs. 300 lacs and therefore no NBF business has been done by the company.

In terms of paragraph 13 of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007, as amended, the particulars as applicable to the company are appended to the Balance Sheet.

f) Earning Per Share (EPS) - EPS is calculated by dividing the Profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (Loss) after tax	184,958.06	(92,342.57)
Weighted Number of Shares (nos.)	6,537,600	6,537,600
<b>EPS (Rs.)</b>		
Basic/Diluted Earnings Per Share (Rs.)	0.03	(0.01)
Face value per share (Rs.)	10.00	10.00

As per our Report of even date

For and on behalf of the Board

For J H Bhandari & Co.  
Chartered Accountants  
Firm Reg. No. 138960W

Jinal Bhandari  
Proprietor  
M. No. 158795

Place: Mumbai  
Date: 25-04-2019

Dhiren D. Mehta  
Chairman  
DIN: 00036743

Aditi D. Mehta  
Director  
DIN: 01173259

Richa Sharma  
Company secretary  
FCS No. F-7624

Place Mumbai  
Date: 25-04-2019

**1 a) Inventories**

Particulars	No of Shares	31 March, 2019	31 March, 2018
<b>Stock In Trade</b>			
<b>Quoted Equity Shares : Valued at Fair Value</b>			
Hindalco Industries Ltd	1,500	308,250	-
Manglore Refinery & Petro Chemicals Ltd	4,000	297,200	-
Reliance Industries Ltd	800	1,090,600	-
<b>Quoted Preference Shares : Valued at Fair Value</b>			
JSW Steel Limited	20	94	-
<b>Fair Value Of Total Financial Assets</b>	<b>6,320</b>	<b>1,696,144</b>	-
<b>Cost of the Above Financial Assets</b>		<b>1,515,400</b>	-

Note : Stock of Trading Securities values at Fair Value

**1 b) Cash and cash equivalents**

Particulars	31 March, 2019	31 March, 2018
<b>Balances with banks</b>		
- in current accounts	-	53,705
- in EEFC account	-	-
Deposit with maturity of more than three months @7.4% p.a	1,000,000	-
Cash on hand	70	1,070
<b>Total cash and cash equivalents</b>	<b>1,000,070</b>	<b>54,775</b>

**1 c) Loans & Advances**

Particulars	31 March, 2019	31 March, 2018
<b>Advance Tax &amp; TDS</b>		
- Advance Tax for Ass. Yr. 19-20	5,000	-
- T D S for Ass. Yr. 19-20	61,115	-
<b>Total cash and cash equivalents</b>	<b>66,115</b>	-

**1 d) Other Current Assets**

Particulars	31 March, 2019	31 March, 2018
<b>Other Current Assets</b>		
- Margin with Stock Broker	705,152	-
- Indistock Secueities Ltd	27,640	-
- Advisory Fees Receivable	432,000	-
- Interest Receivable	10,036	-
<b>Total Other Current Assets</b>	<b>1,174,828</b>	-

**2 Equity**

**2 a) Equity Share Capital**

Particulars	31 March, 2019	31 March, 2018
	Amount	Amount
<b><u>Authorised</u></b>		
2,50,000 (P.Y. 2,50,000) Preference Shares of Rs. 10 each	2,500,000	2,500,000
67,50,000 (P.Y. 67,50,000) Equity Shares of Rs. 10 each	67,500,000	67,500,000
<b><u>Issued Subscribed &amp; Paid up</u></b>		
65,37,600 (P.Y. 65,37,600) Equity Shares of Rs. 10 each fully paid up	65,376,000	65,376,000

Particulars	Number of shares	Amount
<b>As at 1 April 2017</b>	6,537,600	65,376,000
Increase during the year	-	-
<b>As at 31 March 2018</b>	<b>6,537,600</b>	<b>65,376,000</b>
Increase during the year	-	-
<b>As at 31 March 2019</b>	<b>6,537,600</b>	<b>65,376,000</b>

**(i) Movement in equity share capital**

Particulars	Number of shares	Amount
<b>As at 1 April 2016</b>	65,376,000	65,376,000
Issued during the year		
<b>As at 31 March 2017</b>	<b>65,376,000</b>	<b>65,376,000</b>
Increase during the year		
<b>As at 31 March 2018</b>	<b>65,376,000</b>	<b>65,376,000</b>



**(ii) Details of shares held by each shareholders holding more than 5%**

Particulars	31 March, 2019		31 March, 2018 & 1st April, 2017	
	No. of shares	% holding	No. of shares	% holding
Dhiren Dhirajlal Mehta	636,881	9.74%	636,881	9.74%
Indistock Securities Ltd	827,550	12.66%	827,550	12.66%
Sterling Investments (India) Ltd	1,047,872	16.03%	1,047,872	16.03%

**2. b) Reserves and surplus**

Particulars	31 March, 2019		31 March, 2018	
Securities Premium Account		10,488,542		10,488,542
Statutory Reserve u/s 45IC of RBI Act		1,265,000		1,265,000
<b>Retained earnings</b>				
Opening balance	(84,134,017)		(84,041,674)	
Profit for the year	184,958	(83,949,059)	(92,343)	(84,134,017)
<b>Total reserves and surplus</b>		<b>(72,195,517)</b>		<b>(72,380,475)</b>

**3 Financial Liabilities**

**3(a) Non-Current Borrowings**

Particulars	Interest Rate	31 March, 2019	31 March, 2018	1 April, 2017
<b>Secured</b>				
<b>Term loans</b>				
-Banks		-	-	-
-Other parties				
Deposits				
<b>Unsecured</b>				
Interest Free Loans from Promoter	-	10,000,000	7,040,000	6,915,000
<b>Total Non Current Borrowings</b>		<b>10,000,000</b>	<b>7,040,000</b>	<b>6,915,000</b>

**3(b) Current Borrowings**

Particulars	Interest Rate	31 March, 2019	31 March, 2018	1 April, 2017
<b>Loans repayable on demand from Banks</b>				
<b>Secured</b>				
HDFC Bank - Overdraft Facility (Secured against pledge of Bank Fixed Deposit Receipt)	9.40%	647,408	-	-
<b>Total current borrowings</b>		<b>647,408</b>	<b>-</b>	<b>-</b>

**4) Other Current Liabilities**

Particulars	31 March, 2019	31 March, 2018
Statutory Tax payables	79,266	4,250
Audit Fees Payable	30,000	15,000
<b>Total Other Current Liabilities</b>	<b>109,266</b>	<b>19250</b>

**5) Revenue from operations**

Particulars	31 March, 2019	31 March, 2018
Sale of Stock In Trade (Cash Market)	1,308,699	-
Sale of Stock In Trade Derivatives)	82,422,737	-
<b>Total Revenue from Operations</b>	<b>83,731,436</b>	<b>-</b>

**6) Other Income**

Particulars	31 March, 2019	31 March, 2018
Advisory Fees Received	600,000	-
Dividend Income	23,100	6,560
Interest Received on FD	11,151	294,353
Shares earlier written off now written back	925,278	-
<b>Total Other Income</b>	<b>1,559,529</b>	<b>300,913</b>

**7) Purchase of Stock- in- Trade**

Particulars	31 March, 2019	31 March, 2018
Purchase of Stock- in- Trade (Derivatives)	82,406,602	-
Purchase of Stock- in- Trade (Cash Market)	2,834,869	-
<b>Total Other Income</b>	<b>85,241,471</b>	<b>-</b>

**8) Finance Cost**

Particulars	31 March, 2019	31 March, 2018
Bank Interest Paid	603	-
<b>Total</b>	<b>603</b>	<b>-</b>

**9) Other Expenses**

<b>Particulars</b>	<b>31 March, 2019</b>	<b>31 March, 2018</b>
Annual Listing & Registration Fees	313,600	320,700
Payment to Auditors (note 9.a)	30,000	15,000
Legal & Professional Fees	78,370	127,920
Miscellaneous Expenses	25,739	4,138
Telephone, Postage Expense	7,176	199,072
Printing and stationery	47,709	139,669
Profession Tax (Co.)	-	2,500
Interest on GST	444	-
Conveyance Expenses	1,000	-
Directors Sitting Fees	12,000	-
Travelling Expenses	21,000	-
Penalty paid to BSE	-	21,240
Other Charges (CDSL, NSDL, RTA Charges)	674,789	119,909
<b>Total</b>	<b>1,211,827</b>	<b>950,148</b>

**9. a) Details of payment to auditors**

<b>Particulars</b>	<b>31 March, 2019</b>	<b>31 March, 2018</b>
Statutory Audit Fees	15,000	15,000
Tax Audit Fees	15,000	-
<b>Total</b>	<b>30,000</b>	<b>15,000</b>