

# SITA

ENTERPRISES LTD.

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Report  
and  
Accounts  
2019

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## **SITA ENTERPRISES LIMITED**

### **BOARD OF DIRECTORS**

Mr.A.Tulsyan, Whole Time Director  
Mr. Mukesh Sarswat,Independent Director  
Mr.Sandeep S. Rathi, Independent Director  
Smt.S.Tulsyan  
Smt.Sneha Tulsyan

### **COMPANY SECRETARY**

Priyanka Kakhani

### **CHIEF FINANCIAL OFFICER**

Mr. V K Vora

### **BANKERS**

Syndicate Bank  
HDFC Bank  
Barclays Bank

### **AUDITORS**

M/s. Maheshwari Maheshwari & Co.  
Chartered Accountants

### **REGISTERED OFFICE**

415-416, Arun Chambers,  
Tardeo Road,  
MUMBAI - 400 034.

CIN : L45202MH1982PLC026737  
PHONE : 022 - 66627383  
FAX : 022 - 66627384  
EMAIL - info@sitaenterprisesltd.com  
WEB - www.sitaenterprises.com

# SITA ENTERPRISES LIMITED

## NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the members of Sita Enterprises Ltd. will be held on Friday the 27<sup>th</sup> September, 2019 at 9.00 A.M. at 415-416, Arun Chambers, Tardeo Road, Mumbai - 400 034 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31-3-2019 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ashok Tulsyan (Director Identification Number : 00353156) who retires from office by rotation and being eligible offers herself for re-appointment.
3. To appoint the Statutory Auditors of the company and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and other applicable provisions Patel Shah & Joshi, Chartered Accountants (Firm Registration No. 107768W) be and are hereby appointed as the Auditors of the Company to hold office for a term of five consecutive years commencing from the conclusion of the 36<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company to be held in year 2024 at such remuneration as may be mutually agreed between the Directors of the Company and the Auditors in place of M/s. Maheshwari Maheshwari & Co. Chartered Accountants (Firm Registration No. 105838W).

By Order of the Board

Mumbai, 14<sup>th</sup> August, 2019

Priyanka Kakhani  
Company Secretary

### NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. Members are requested to note that a person can act as proxy on behalf of not exceeding fifty (50) Members and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Register of Members and Share Transfer Register of the Company will be closed from 21<sup>st</sup> September, to 27<sup>th</sup> September, 2019 (both days inclusive).
3. The Notice of AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company or Depository Participant(s) unless the Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
4. Relevant documents and registers will be available for inspection by the members at the Annual General Meeting.
5. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders holding shares in physical mode are requested to file a Nomination Form in respect of their shareholdings. Any Shareholder wishing to avail of this facility may submit to the Investors Services Division ("ISD") in the prescribed statutory form SH-13. For any assistance, Shareholders should get in touch with the ISD.
6. Shareholder or his proxy will be required to produce at the entrance of the meeting hall, the attendance slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated attendance slips will be accepted. However, Shareholders who have received the Annual Report on e-mail can download and print the attendance slip themselves. These should be

completed, signed and handed over at the entrance of the meeting hall. The validity of the attendance slip will, however, be subject to the Shareholder continuing to hold equity shares as on the date of the meeting.

7. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Services ("NECS"), Electronic Clearing Service ("ECS"), mandates nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant(s) ("DP"). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents, Link Intime India Private Limited (Link Intime") to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.
  8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to DP with whom they have demat accounts. As per Securities and Exchange Board of India (SEBI) circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 letters were sent to those shareholders, holding shares in physical form, who have not submitted their PAN and bank details for making these compliances. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link Intime/DPs.
  9. Maheshwari Maheshwari & Co., Chartered Accountants, auditors of the company have expressed their desire to be relieved as auditors of the company with effect from the conclusion of the ensuing Annual General Meeting due to their pre occupation and engagement in other activities as per their resignation letter. The company has received a letter from a member proposing for appointment of Patel Shah & Joshi, Chartered Accountants having their office at 501-503 Sheel Chambers, 10 Cawasji Patel Street, Fort, Mumbai - 400001 as auditors of the company in place of existing auditors. The proposed auditors have given a letter dated 14-08-2019 for their consent and eligibility for appointment as auditor of the company. The audit committee has recommended their appointment as auditors. The resignation letter of existing auditors and consent letter and profile of proposed auditors are available for inspection by the members on all working days during business hours at the registered office of the company.
  10. Members desirous of seeking any further information about the financial statements and/or operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, at least ten days in advance of AGM, so that the information, to the extent practicable, can be made available at the meeting.
- ### 11. E-Voting
- a. (i) Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is providing to the Shareholders, the remote e-voting facility at the ensuing Annual General Meeting. Company is offering remote e-voting option to all the Shareholders. For this purpose, the Company has signed an agreement with National Securities Depository Limited ("NSDL").  
(ii) The facility of ballot paper voting shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. For abundant clarity, in the event of a poll, please note that the Shareholders who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date. The poll process shall be conducted and the consolidated scrutinizer report thereon will be prepared in accordance with the provisions of Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Listing Regulations.
  - b. The members who have cast their vote electronically prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  - c. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on cutoff date i.e 20<sup>th</sup> September, 2019. A person, whose name is recorded in the register of members or in the list of beneficial owners provided by depositories as on the cutoff date i.e 20<sup>th</sup> September, 2019 shall be entitled to avail the facility of remote e-voting/ ballot voting.
  - d. The remote e-voting period shall commence at 9.00 a.m. on Tuesday, the 24<sup>th</sup> day of September, 2019 and will end at 5.00 p.m. on Thursday, the 26<sup>th</sup> day of September, 2019. The remote e-voting module shall be disabled by NSDL at 5.00 p.m. on 26<sup>th</sup> day of September, 2019. During the remote

e-voting period, the Shareholders of the Company holding shares either in physical form or in demat form as on the cut-off date may cast their vote electronically provided once the vote on the resolution(s) is cast by the Shareholders, he will not be allowed to change it subsequently.

- e. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 20<sup>th</sup> September, 2019, may obtain the login ID and password by sending an email to [info@sitaenterprises.com](mailto:info@sitaenterprises.com) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their folio No./DP ID and Client ID. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- f. Process and Manner for Shareholders, opting for remote e-voting is as under:-

(A) In case of Shareholders receiving e-mail from NSDL:

- i. Any member whose shares are in demat form and whose e-mail address is registered with the Company/Depository Participant(s) will receive an e-mail from NSDL. Open e-mail and open PDF file viz "Sita Enterprises Ltd. remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that this password is an initial password.

Note: Shareholder already registered with NSDL for e-voting will not receive the PDF file "Remote E-Voting"

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

- iii. Click on "Shareholder-login"

- iv. Put user ID and password as initial password noted in step (a) above. Click "Login"

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

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

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

- viii. Now you are ready for "e-voting" as "Cast Vote" page opens.

- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- x. Upon confirmation, the message "Vote cast successfully" will be displayed.

Once you have voted on the resolution, you will not be allowed to modify your vote.

- xi. Corporate/Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer through E-mail at [vkmassociates@yahoo.com](mailto:vkmassociates@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**(B) In case of Shareholders receiving Notice by Post:**

- i. Initial password is provided at the bottom of the attendance slip:
- ii. Please follow all steps from Sl. No. (b) to Sl. No. (i) above, to cast your vote.

- (C) The voting through remote e-voting period commences from 09:00 A.M. on 24<sup>th</sup> September, 2019 and ends at 5:00 P.M. on 26<sup>th</sup> September, 2019. The remote e-voting module shall be disabled by NSDL for voting thereafter.

- (D) If you are already registered with NSDL for e-voting you can use your existing user ID and password for casting your vote. In case shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID + Client ID).

In case shareholders are holding shares in physical mode, USER-ID is the Combination of (EVEN No + Folio No).

- (E) In case of any query, you may refer to the "Frequently Asked Questions (FAQs)" for shareholders and e-voting user manual for Shareholders available at the "downloads" section of NSDL website, [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call toll free no. 1800 222 990.

- (F) Shareholders who forget the User details / password can use "Forget details/ Password" "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

12. The Board of Directors have appointed Mr. A. Tulsyan, Whole Time Director, Ms. Priyanka Kakhani, Company Secretary and Mr. V. K. Vora, CFO as the persons responsible for the entire process of voting i.e. remote e-voting and ballot voting at the AGM. Mr. Vijay Kumar Mishra, (Membership No. 5023) Partner of M/s. VKM & Associates, Practicing Company Secretaries has been appointed as the scrutinizer to scrutinize the remote e-voting and ballot voting process in a fair and transparent manner. For any query(ies) / grievance(s) relating to remote e-voting, please contact Toll Free on 1800-222-990 or e-mail at [info@sitaenterprises.com](mailto:info@sitaenterprises.com) or NSDL to Mr. Pratik Bhatt 022-2499 4738, [PratikB@nsdl.co.in](mailto:PratikB@nsdl.co.in)

13. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and submit the consolidated scrutinizer's report of the votes cast in favor or against, if any, to the Chairman of the Meeting within 48 hours of conclusion of the meeting. The results along with the scrutinizer's report shall be placed on the website of the Company, [www.sitaenterprises.com](http://www.sitaenterprises.com), NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and Stock Exchanges, at [www.bseindia.com](http://www.bseindia.com).

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

Name of the Director - A. Tulsyan. Director Identification No. – 00353156 Date of Birth - 21/03/1957. Date of Appointment as director - 16/01/1989. Expertise – General Management. Qualification – B COM (Hons.) FCA. No. of shares held in company - 130500. Number of Board meeting Attended - 6, Category – Whole Time Director (Spouse of Mrs. Sanju Tulsyan and father of Mrs. Sneha Tulsyan - Promoter Directors in the Company). Other Public Company in which Directorship held - Goyal Housing and Finance Ltd. Member of the Committees of other Companies – Nil. Remuneration Drawn – Nil.

By Order of the Board

Mumbai, 14<sup>th</sup> August, 2019

Priyanka Kakhani  
Company Secretary

**ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING**



## SITA ENTERPRISES LIMITED

### DIRECTORS' REPORT

#### To The Members:

Your Directors have pleasure in submitting the Thirty-Sixth Annual Report of the Company together with the audited Annual Accounts showing the financial position of the Company for the year ended on 31<sup>st</sup> March 2019.

#### Management Discussion & Analysis:

i) Industry structure and development: The Company is an investment and finance Company and has invested funds in Shares, Securities, Venture Capital Fund, Properties, Loans and Advances.

ii) Opportunities & Threats: The Company is keeping a close watch on the trends in industry for making investments in accordance with its size of operations. It is also taking into account the possible threats due to external factors.

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

iv) Outlook: Baring the unforeseen circumstances and the risks and concerns, the management is hopeful to achieve reasonable performance in the current financial year: 2019-2020.

v) Risks and concerns: The Company has exposure in Shares, Securities, Properties, Loans & Advances and any adverse development in stock market and industry will have an impact on the Company's performance.

vi) Internal control systems and their adequacy: The Company has adequate internal control systems commensurate for its limited operations. The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flow of organization is being done through the approved policies of the Company. The observations of internal auditors are considered by the Audit Committee of the Board.

#### vii) Financial & Operational performance

The Financial and Operational performance during the year was as under:-

Rupees in Lacs

Gross Income	31.44
Gross Operating Profit	15.62
Provision for Taxation	2.82
PROFIT AFTER TAX	12.80

#### Dividend and Transfer to Reserves:

Your Directors do not recommend any dividend for the year ended on 31<sup>st</sup> March 2019. An amount of Rs. One Lac has been transferred from surplus balance in Statement of Profit And Loss to general reserve during the year.

#### Directors and Key Managerial Personnel:

Mr. Ashok Tulsyan retires from the Board by rotation and being eligible offers himself for re-appointment as director. During the year Mr. Mukesh Sarswat was appointed as an Independent Director and Mr. K K Agarwal another Independent Director retired during the year due to his pursuing other career. At the Annual General Meeting of the company held in 2018 Ms. Sneha A. Tulsyan was appointed as a director and appointment of Mr. Mukesh Sarswat as an independent director was ratified.

During the year six board meetings were convened and held.

The Independent Directors of the company have given declarations under Section 149(7) of the act that they meet the criteria of independence as provided under Section 149(6) of the act.

Apart from sitting fees paid to independent director no other remuneration is paid to directors. Commensurate with very limited size of operations of the company the Board has, on recommendation of Nomination and Remuneration Committee -

i. Framed a policy for selection and appointment of Directors and Senior Management and their remuneration. As per company's policy the independent director should possess fair professional qualification, sound ethics and attributes and should meet the criteria of independence.

ii. Adopted a framework for performance evaluation of the Board, its Committees, individual directors and chairperson through a survey questionnaire. The

## SITA ENTERPRISES LIMITED

survey questionnaire broadly covers various aspects of board functioning, composition of Board and its committees, culture, execution and performance of specific duties, obligation and governance.

### **NBFC Activities**

The company is a Non-Systemically Important Non-Deposit taking Non Banking Finance Company registered with Reserve Bank Of India Act, 1934 and is following the guideline and direction issued by RBI for such companies. The company is engaged mainly in investments in Shares, Securities, Venture Capital Fund and Properties. The company has also deployed funds in loans and advances.

### **Particulars of loans, guarantees or investment:**

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

### **Audit Committee:**

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

### **Directors' Responsibility Statement:**

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(C) of the act:

- a. That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- b. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. That the directors have prepared the annual accounts on a going concern basis; and
- e. That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Related Party Transaction**

Details of the transactions with Related Parties are provided in the accompanying financial statements. There was no transaction during the year which would require to be reported in Form AOC.2.

### **Statutory Auditors**

M/s. Maheshwari Maheshwari & Co. are the statutory auditors of the company. There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors in their Report on the financial statements for the period.

### **Secretarial Auditors**

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

### **Risk Management Policy**

Commensurate with its very limited size of operations the Company is keeping a close watch on the trends in industry for lending of funds and making investments. It is also taking into account the possible threats due to external factors.

### **Corporate Social Responsibility**

It is your company's belief that its primary goal is to fulfill responsibility towards its all constituents i.e. shareholders, customers, government, regulatory bodies, etc. The company maintains fair and ethical practices in its dealings as part of its social responsibility. Further provisions of section 135 of the act and submission of corporate governance report are not applicable to the company.

**Vigil Mechanism/Whistle Blower Policy:**

Your Company has adopted and disseminated its Whistle-Blower Policy to provide a secure environment and encourage employees to report unethical, unlawful or improper practices, acts or activities and to prohibit any adverse action against those who report such practices in good faith. The Whistle-Blower Policy is disclosed on the website of the Company.

**Extract of Annual Return:**

In accordance with Section 134(3)(a) of the act, an extract of the Annual Return in form MGT-9 is annexed.

**Subsidiaries, Associates, joint Ventures and Investments in LLP**

The company does not have any subsidiary or joint venture. During the year Sita Offers & Bourse Expertise Limited ceased to be company's associate company on its conversion into a LLP namely Sita Offers and Bourse Expertise LLP. The company's share in voting right of this LLP is 14.29%. The LLP is not an associate concern within the meaning of Accounting Standard (AS) 23. The company has an associate company namely, Bombay Mercantile & Leasing Company Ltd. On account of changes and as per the applicable provisions for the period under this report the accounts of this associate concern have not been consolidated this year with that of the company as there is no requirement for the same as per provisions of Accounting Standard (AS) 23. A separate statement containing the salient features of the associate in the prescribed form AOC – I is annexed separately.

**Other Information:**

The disclosure under Section 197 of the Companies Act, 2013 has been annexed to this report. The company has no employee of the category specified in Section 197(12) of the act.

The Company has not consumed any significant quantity of energy; therefore no comments are made on conservation of energy and technology absorption. There has been no foreign exchange income/outflow during the year under review. The provision of cost audit is not applicable to the Company.

There have been no other material changes and commitments, if any, affecting the financial position of the company, which have occurred between the end of the financial year and date of the report.

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

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

The Company has the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. The Company has in place internal financial control systems, commensurate with the size and complexity of its operations, to ensure proper recording of financial and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements.

The company is following the guidelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There have been no cases reported during the year.

The Secretarial Audit Report for the financial year 2018-19 is set out in the Annexure to this Report.

The Company is giving effect to various compliances applicable to it and adopting policies commensurate with its limited size of operations.

The board places on record its appreciation for the continued support and co-operation extended by employees, customers, bankers and all other constituents.

On behalf of the Board

Mumbai, 17<sup>th</sup> May, 2019      A. Tulsyan      S. Tulsyan  
Director                      Director

# SITA ENTERPRISES LIMITED

## Annexure to the Directors' Report

### Information under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-2019 *Not Applicable – Please see note Below.*
- (ii) The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2018-19. Mr. V.K.Vora – Chief Financial Officer (increase) 8.13% and Mrs. Priyanka Kakhani – Company Secretary (increase) 32.02% (as compared with previous period remuneration for part period paid to another person)
- (iii) The percentage increase / decrease in the median remuneration of employees in the financial year 2018-19 (Increase) 39.35%
- (iv) The number of permanent employees on the rolls of Company – Three .
- (v) The explanation on the relationship between average increase / decrease in remuneration and Company performance Profit before tax decreased by 43.33%. The overall decrease in remuneration was 24.73%.
- (vi) Comparison of the remuneration of the Key managerial Personnel against the performance of the Company.

*Not Applicable – Please see note Below .*

- (vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

Market Cap– as on 31-03-2018 Rs. 531 Lacs and on 31-03-2019 Rs.472.50 Lacs. EPS – as on 31-03-2018 Rs.0.77 and as on 31-03-2019 Rs.0.43. The last public offer for equity shares of the company was offer for sale made in year 1994-95 for 7.5 Lacs equity shares of Rs. 10/- each at par. The market quotation (BSE Closing of equity shares of company as on 31-03-2019) was Rs. 15.75 representing an increase in 11.02%.

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

*Not Applicable – Please see note below.*

- (ix) The comparison of the each remuneration of Key Managerial Personnel against the performance of the Company during the Financial Year 2018-19 is as under:

*The amount paid to key managerial personnel during the year was 12.47% of total gross revenue and 30.64% of profit after tax.*

- (x) The key parameters for any variable component of remuneration availed by the Directors.

*Not Applicable – Please see note Below.*

- (xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

*Not Applicable – Please see note Below.*

- (xii) **Affirmation that the remuneration is as per the Remuneration Policy of the Company.**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

*Not Applicable – Please see note Below.*

## NOTES

Apart from sitting fees of Rs. 40,000/- paid to independent directors no remuneration was paid to directors.

Payments to Key Managerial Personnel (KMP) – Rs. 1,25,419/- to Company Secretary and Rs. 2,66,729/- to CFO. The company had to maintain the minimum number of employees for day to day affairs and these remuneration are very much in line with the basic needs. Clause no. i, vi, viii, x, xi, xii are not applicable / relevant / material.

There are no employees in the company covered by provisions of section 197(12) of the Companies Act, 2013 read with rule 5 (2) 7 5 (3) of the companies (Appointment and remuneration of managerial personnel) Rules, 2014 for which particulars required to be furnished.

## AOC - I

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

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

Part – B – Associates

Name of Associates	Bombay Mercantile & Leasing Company Ltd.
<b>1. Latest audited Balance Sheet Date</b>	31/03/2018
<b>2. Date on which the Associate was associated</b>	01/04/2002
<b>3. Shares of Associate Company held by the company on the year end</b>	
No.	1205000
Amount of Investment in Associates (Rs. in Lacs)	180.75
Extent of Holding (in percentage)	48.98
<b>4. Description of how there is significant influence</b>	No significant influence as per AS 23
<b>5. Reason why the associate is not consolidated</b>	* As per note below
<b>6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lacs)</b>	335.85
<b>7. Profit or Loss for the year (Rs. in Lacs)</b>	3.62
i. Considered in Consolidation (Rs. in Lacs)	-
ii. Not Considered in Consolidation (Rs. in Lacs)	3.62

\* The company (SEL) does not have significant influence over Bombay Mercantile and Leasing Company Ltd. (BML) in terms of provisions of Accounting Standard 23 as there is no - (a) Representation on the board of directors of the investee; (b) participation in policy making processes; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; or (e) provision of essential technical information. Further there has been no transfer of funds from the investee to the investor.

Joint Ventures – Nil

Name of Associates or joint ventures which are yet to commence operation – NA

Name of Associates or joint ventures which have been liquidated or sold during the year – NA

For and on behalf of the Board

**A Tulsyan**      **S. Tulsyan**  
Director              Director

**Priyanka Kakhani**      **V K Vora**  
Company Secretary      Chief Financial Officer

Mumbai, 17<sup>th</sup> May, 2019





i)	Category-wise Share Holding (Continued)									
	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B	Public Shareholding									
(1)	Institutions									
	a) Mutual Funds									
	b) Banks/FI									
	C) Central Govt.									
	d) State Govt.									
	e) Venture Capital Fund									
	f) Insurance Companies									
	g) FIIS									
	h) Foreign Venture Capital Funds									
	i) Others (specify)									
SUB TOTAL: (B) (1)										
(2)	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	15627	55500	71127	2.37	13650	55500	69150	2.30	-0.07
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital up to Rs.1 lakh	290706	163000	453706	15.12	297337	160400	457737	15.26	+0.14
	ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakh	110240	75000	185240	6.17	109948	75000	184948	6.16	-0.01
	c) NBFC's Registered with RBI	-	-	-	-	200	-	200	0.01	+0.01
	d) Others (specify)									
	i) Director	-	1000	1000	0.03	-	-	-	-	-0.03
	ii)Hundu Undivided Family	35336	0	35336	1.18	36209	0	36209	1.20	+0.02
	iii) Non Resident Indians	55		55	0.01	57		57	0.01	
	iv) Clearing member	3536	0	3536	0.12	1699	0	1699	0.06	-0.06
SUB TOTAL: (B) (2)		455500	294500	750000	25.00	459100	290900	750000	25.00	
	Total Public Shareholding (B) = (B)(1)+(B)(2)	455500	294500	750000	25.00	459100	290900	750000	25.00	
C	Shares held by custodian for GDRs & ADRs									
GRAND TOTAL: (A+B+C)		2705500	294500	3000000	100	2709100	290900	3000000	100	

iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)								
Sr. No.	Shareholders' Name		Share holding at the beginning (01/04/2018)/ end (31/03/2019) of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Share-holding during the year (01/04/18 to 31/03/19)	
		No. of Shares		% of total shares of the company				No. of Shares	% of total shares of the company
1	M SINGH	75000		2.50000	1 Apr 2018	0			
		75000		2.50000	31 Mar 2019			75000	2.5
2	CHARM FISCAL COMPANY PVT.LTD.	52900		1.7633	1 Apr 2018	0			
		52900		1.7633	31 Mar 2019			52900	1.7633
3	MANMOHAN R. PRAHALADKA	18865		0.6288	1 Apr 2018	0			
		18865		0.6388	31 Mar 2019			18865	0.6288
4	AMIT HUKMICHAND HEDA	15000		0.5	1 Apr 2018	0			
		15000		0.5	31 Mar 2019			15000	0.5
5	SUMAN DEVI BAGARIA	52350		1.7450	1 Apr 2018	0			
		52350		1.7450	31 Mar 2019			52350	1.7450
6	MUKESH KUMAR BAGERIA	17390		0.5797	1 Apr 2018	0			
		17390		0.5797	31 Mar 2019			17390	0.5797
7	DEEPAK HARLALKA	25500		0.8500	1 Apr 2018	0			
					10 Aug.2018	-2	T	25498	0.8499
					21 Sep. 2018	-290	T	25208	0.8403
		25208		0.8403	31 Mar 2019			25208	0.8403
8	NIVEDAN INVESTMENTS AND TRADING CO. PVT. LTD.	10000		0.3333	1 Apr 2018	0			
		10000		0.3333	31 Mar 2019			10000	0.3333
9	RAJ KR LOHIA	11733		0.3911	1 Apr 2018	0			
		11733		0.3911	31 March 2019			11733	0.3911
10	LAXMINARAYAN MISHRILAL SARDA	10884		0.3628	1 Apr 2018	0			
		10884		0.3628	31 March 2019			10884	0.3628

\*T - Transfer

1 - Transfer

v)	Shareholding of Directors and Key Managerial Personnel (KMP)							
	Sr. No.	Shareholders' Name	Share holding at the beginning of the year (01/04/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Share-holding during the year (01/04/18 to 31/03/19)
	A	Directors						
	1	ASHOK TULSYAN	130500	4.35	1 Apr 2018	-		
			130500	4.35	31 Mar 2019			130500
	2	SANJU TULSYAN	63900	2.13	1 Apr 2018	-		
			63900	2.13	31 Mar 2019			63900
	3	SNEHA TULSYAN	1000	0.03	1 Apr 2018			
			1000	0.03	31 Mar 2019			1000
	4	MUKESH SARSWAT	0	0	1 Apr 2018			
			0	0	31 Mar 2019			0
		Mr. K K Agrawal Director resigned during the year was holding 1000 equity shares as on 01/04/2018 and on 31/03/2019.						
	B	Key Managerial Personnel (KMP)- Nil Shareholding						

V	<b>INDEBTEDNESS</b>
	The Company had no indebtedness with respect to secured or unsecured Loans or Deposits during the financial year 2018-19.
VI	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>
	Whole Time Director – NIL, Independent Directors - sitting fees paid Mr. Sandeep Rathi - Rs.20,000/- and Mr. Mukesh Sarswat - Rs.20,000/. Key managerial Personnel – Paid to Company Secretary - Mrs. Priyanka Kakhani - Rs.1,25,419/- and to CFO - Mr. V K Vora - Rs. 2,66,729/-
VII	<b>PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL</b>

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR FINANCIAL YEAR ENDED ON 31 MARCH, 2019**

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

**TO**  
**THE MEMBERS,**  
**SITA ENTERPRISES LIMITED**  
**415/416, Arun Chambers,**  
**Tardeo Road**  
**Mumbai - 400034.**  
**Maharashtra - India**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sita Enterprises Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable as the company has not issued any shares during the year under review;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
  - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
  - (h) The Securities and Exchange Board of India (SEBI (Buyback of Securities) Regulations, 2014 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
6. Other Laws applicable to the Company ;
  - i. The Reserve Bank of India Act, 1934;
  - ii. Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

- II. The Listing Agreements entered into by the Company with BSE & NSE and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**For VKM & Associates**  
**Practicing Company Secretary**

**(Vijay Kumar Mishra)**  
**Partner**  
**FCS No. 5023**  
**C P No.: 4279**

**Place: Mumbai**  
**Date : 17/05/2019**

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

**"ANNEXURE A"**

**To,**  
**The Members,**  
**SITA ENTERPRISES LIMITED**  
**415-416, Arun Chambers,**  
**Tardeo Road, Mumbai -400034**  
**Maharashtra - India**

Our report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

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

**Disclaimer**

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

**For VKM & Associates**  
**Practicing Company Secretary**

**(Vijay Kumar Mishra)**  
**Partner**  
**FCS No. 5023**  
**C P No.: 4279**

**Place: Mumbai**  
**Date : 17/05/2019**

# Independent Auditor's Report

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

## Opinion

We have audited the accompanying financial statements of Sita Enterprises Limited ('the Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss, the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required of the state of affairs of the Company as at 31 March 2019, and its profit, and its cash flows for the year ended on that date.

## Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key Audit Matter

*Non recognition of Deferred tax assets on carried forward losses and MAT credit entitlement in books of account on the basis of prudent accounting practice.*

### Response to Key Audit Matter

*We have considered the recoverability of such deferred tax assets on tax losses carried forward and MAT credit entitlement as a key audit matters. We reviewed the evaluation process of these deferred tax assets implemented by the Management for assessing the probability that the company may not use in the future its deferred tax assets particularly with regard to the ability of the Company to generate sufficient future taxable profits considering the past record of profits and losses and utilisation of such deferred assets in earlier periods. Based on above procedure we conclude that the policy adopted by the company is fair and prudent in terms of Accounting Standard 22.*

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, its Annexures and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

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

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

## Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibility for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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**

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a

statement on the matters specified in the paragraph 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
- e) On the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 having any material foreseeable losses; and
  - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

**For Maheshwari Maheshwari & Co.**

Chartered Accountants

Firm Registration No. 105838W

**Savita B. Maheshwari**

Membership No. 102278

Partner

Mumbai, 17<sup>th</sup> May, 2019

## Annexure A

Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date

### Re: SITA ENTERPRISES LIMITED (“the Company”)

- (i) During the year the company did not own any fixed assets
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act 2013 with respect to loans and investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (vi) The Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other material dues applicable to it. The provision relating to sales tax, custom duty, provident fund, employees’ state insurance, Goods and service tax, value added tax, cess and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) There has been no borrowing or loans from financial institution, bank or debenture holders or government during the year in the company.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (Including debt instruments) and term loans.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Apart from sitting fees paid to independent director no managerial remuneration as per the provisions of section 197 of the Companies Act, 2013 has been paid / provided by the company during the year.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3 of the order are not applicable to the Company and hence not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) In our opinion and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) We report that the Company is a Non Banking Finance Company (NBFC) and as required, under section 45-IA of the Reserve Bank of India Act, 1934 it has been registered as a NBFC.

For **Maheshwari Maheshwari & Co.**  
Firm Registration No.105838W  
Chartered Accountants

**Savita B. Maheshwari**  
Membership No.102278  
Partner

Mumbai, 17<sup>th</sup> May 2019

## Annexure - B

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

We have audited the internal financial controls over financial reporting of Sita Enterprises Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 **Maheshwari Maheshwari & Co.**  
Firm Registration No.105838W  
Chartered Accountants

**Savita B. Maheshwari**  
Membership No.102278  
Partner

Mumbai, 17<sup>th</sup> May 2019

# SITA ENTERPRISES LIMITED

## BALANCE SHEET AS AT 31st MARCH, 2019

Rupees

PARTICULARS	Note No.	As at 31-3-2019	As at 31-03-2018
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	3,00,00,000	3,00,00,000
(b) Reserves and Surplus	2	7,24,44,735	7,11,64,920
<b>2 Current Liabilities</b>			
(a) Other current liabilities			
Sundry payables		16,800	26,737
Advance received		12,50,000	12,50,000
(b) Short-term provisions			
Current income tax		2,75,000	4,50,000
Contingent Provision		2,50,000	2,50,000
<b>Total</b>		<b>10,42,36,535</b>	<b>10,31,41,657</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Non-current investments	3	7,83,12,869	7,78,79,788
<b>2 Current assets</b>			
(a) Cash and cash equivalents	4	5,34,897	2,03,272
(b) Short-term loans and advances	5	2,53,88,769	2,50,58,597
<b>Total</b>		<b>10,42,36,535</b>	<b>10,31,41,657</b>
Significant Accounting Policies	10		
Other Notes	11		

As per our report attached  
For **Maheshwari Maheshwari & Co.**  
Firm Registration No. 105838W  
**Chartered Accountants**

**For and on behalf of the Board**

**Savita B. Maheshwari**  
Membership No: 102278  
Partner

**A.Tulsyan**  
Director

**S.Tulsyan**  
Director

**Priyanka Kakhani**  
Company Secretary

**V K Vora**  
Chief Financial Officer

MUMBAI, 17th May 2019



# SITA ENTERPRISES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Rupees

P A R T I C U L A R S	Note No.	For the year ended 31-03-2019	For the year ended 31-03-2018
<b>I. INCOME</b>			
Revenue from operations	6	30,59,686	38,52,022
Other Income	7	84,746	5,62,906
<b>Total Income</b>		<u>31,44,432</u>	<u>44,14,928</u>
<b>II. Expenses</b>			
Employee benefit expense	8	4,67,148	6,20,667
Other expenses	9	11,15,011	10,37,080
<b>Total Expenses</b>		<u>15,82,159</u>	<u>16,57,747</u>
<b>III. Profit before exceptional and extraordinary items and tax</b>		15,62,273	27,57,181
<b>IV Exceptional and Extraordinary Items</b>		<u>-</u>	<u>-</u>
<b>V. Profit before tax</b>		15,62,273	27,57,181
<b>VI. Tax expense:</b>			
(1) Current tax		2,75,000	4,50,000
(2) Deferred tax		-	-
(3) Income tax for earlier year		<u>7,458</u>	<u>-</u>
		2,82,458	4,50,000
<b>VII. Profit for the period</b>		<u>12,79,815</u>	<u>23,07,181</u>
<b>VIII. Earning per equity share:</b>			
(1) Basic		0.43	0.77
(2) Diluted		0.43	0.77
Significant Accounting Policies	10		
Other Notes	11		

As per our report attached  
For **Maheshwari Maheshwari & Co.**  
Firm Registration No. 105838W  
**Chartered Accountants**

**For and on behalf of the Board**

**Savita B. Maheshwari**  
Membership No: 102278  
Partner

MUMBAI, 17th May 2019

**A.Tulsyan**  
Director

**S.Tulsyan**  
Director

**Priyanka Kakhani**  
Company Secretary

**V K Vora**  
Chief Financial Officer

# SITA ENTERPRISES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

	Rupees	
PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
<b>Cash Flow from Operating Activities:</b>		
Net profit before tax and Extraordinary items	15,62,273	27,57,181
Adjustments for:		
Net (gain) / loss on sale of investments	(84,746)	(5,62,906)
Depreciation	-	-
(Profit)/Loss on sale of fixed assets	-	-
Operating Profit Before Working Capital Changes	14,77,527	21,94,275
Adjustments for:		
Trade and other receivables	(3,30,172)	24,84,905
Trade Payables and Other Liabilities	(1,84,937)	6,93,787
Cash Generated from Operations	9,62,418	53,72,967
Direct Taxes paid	(2,82,458)	(4,50,000)
<b>Net Cash from Operating Activities.....A</b>	<b>6,79,960</b>	<b>49,22,967</b>
<b>Cash Flow from investing Activities</b>		
Purchase of Fixed Asset	-	-
Sale of Fixed Assets	-	-
Purchase of investment	(1,70,84,972)	(1,03,80,259)
Sale of investment	1,67,36,637	53,03,112
<b>Net Cash Used in investing Activities.....B</b>	<b>(3,48,335)</b>	<b>(50,77,147)</b>
<b>Cash Flow from Financing Activities:</b>		
<b>Net Cash Flow from Financing Activities...C</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	<b>3,31,625</b>	<b>(1,54,180)</b>
Cash and Cash equivalents Opening Balance	2,03,272	3,57,452
Cash and Cash equivalents Closing Balance	5,34,897	2,03,272

Note: Figures in brackets represent outflows.

As per our report attached

For and on behalf of the Board

**For Maheshwari Maheshwari & Co.**

Firm Registration No. 105838W

Chartered Accountants

**A. Tulsyan**  
Director

**S.Tulsyan**  
Director

**Savita B. Maheshwari**

Membership No: 102278

Partner

**Priyanka Kakhani**  
Company Secretary

**V K Vora**  
Chief Financial Officer

MUMBAI, 17th May 2019

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

**10. Significant accounting policies.**

i. The Financial Statements are prepared on Accrual Basis under Historic Cost Convention and in accordance with the generally accepted accounting principles in India and the Accounting Standards specified in The Companies Act, 2013 and rules notified thereto with proper explanations relating to material departures. The Company being a Non-Banking finance Company follows the guidelines as prescribed by the Reserve Bank of India to the extent applicable to it.

ii. All assets and liabilities have been classified as current or non-current as per the Companies operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

iii. Investments - Investments are stated at cost. Investment in properties that are not intended to be substantially used for the operations of the company are classified as Investment Property.

iv. Loans and advances which are recoverable on demand or stipulation in cash or kind or for value to be received are classified as short term.

v. Revenue Recognition - Income from dividend and sale of investments is recognised when the right to receive payment is established. Other income from Investments is accounted for as and when realised by the company and is included together with the related tax credit in the Statement of Profit and Loss. The interests on Loan amounts given are provided on time proportionate basis.

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**11. Other Notes.**

i. Previous period's figures have been regrouped/rearranged wherever necessary so as to make them in line with the applicable provisions and Accounting Standards. Headings, sub-headings and information as per Schedule III and Accounting Standards which are not applicable to the company are not stated in Balance Sheet and Statement of Profit and Loss. Figures in brackets are for previous year unless otherwise specified.

ii. Tax deducted at source on interest income - Rs. 1,28,811/- (Rs. 2,00,565/-) and on dividend Nil.

iii. Basic and Diluted earning per share has been calculated by dividing the net profit after tax i.e. Rs.12.80 Lacs for the year by the weighted average number of equity shares outstanding during the year i.e. 30 Lacs shares. (Face value of Rs.10/- each)

iv. The provision for deferred tax assets/liabilities as on 31-3-19 is Nil. As a measure of prudence, deferred tax assets on carried forward losses and MAT credit entitlement for future tax liabilities has not been taken into account. This has been done as per Accounting Standard 22 which provides for such provision only when there is reasonable certainty of their realisation in future by examining the past record of the enterprise and by making realistic estimates of profits for the future. As per the latest available income tax order an amount of Rs. 12.47 lacs as MAT credit has been allowed to the company for adjustment against future tax liabilities.

v. The company is a Non-Systemically Important Non-Deposit taking Non Banking Finance Company registered with Reserve Bank Of India Act, 1934 and is following the guideline and direction issued by RBI for such companies. Provision for bad and doubtful debts and for depreciation in investments – Nil. Gross non-performing assets – Nil. Net non-performing assets – Nil, Assets acquired in satisfaction of debts – Nil. Amount due to Micro, Small & Medium Enterprises as per MSMED Act, 2006 as on 31-03-2019 - Nil. The Company has not accepted any deposits from the public. An amount of Rs. 2.5 lacs has been provided as Contingent Provision against Standard Assets and has been shown as Contingent Provision in the balance sheet. Other loans and advances comprises amount given to parties on which interest for the year ended was not received till the end of year.

vi. The Company is in the business of investment and finance and all its activities revolve around this business. As such, there are no separate reportable Segments. As per provisions in Accounting Standard 3 applicable to finance companies the Dividend income has been included in Operating Activities in Cash Flow Statement. The Schedule III of the Companies Act, 2013 provides for modification of disclosure requirements mentioned therein so as to make them in line with the applicable Accounting Standards. Accordingly in the Statement of Profit and Loss also Dividend Income has been shown under the head Revenue from Operations.

vii. The Company has only one class of shares referred to as equity shares having a par value of Rs.10 entitling the holder to one vote per share. There was no change in the number of shares outstanding at the beginning and at the end of the reporting period. Share holders holding more than 5% shares in the company and number of shares held: Bombay Mercantile & Leasing Co Ltd-1025398, Abhinandan Textiles And Traders LLP -375000 and Ashok Tulsyan (HUF) 600000.

viii. Disclosers – Related Party - Mr. S. Rathi - Non Executive Director (Independent Director) sitting fees paid Rs. 20,000/- and Mr. Mukesh Sarswat - Non Executive Director (Independent Director) sitting fees paid Rs. 20,000/-. Key managerial Personnel – Remuneration Paid - Mrs. Priyanka Kakhani ( Company Secretary) - Rs. 1,25,419/- Mr. V K Vora (CFO) Rs. 2,66,729/-. Advances received from directors – Sanju Tulsyan - Opening Balance – NIL, Received ce0.4Tb(t)33867 -e-e-13( mr[FO)9(ce0.0000/-.)0I4.6667 0 TDD0

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

--

I / We hereby record my / our presence at the 36<sup>th</sup> Annual General Meeting of the Company held on Friday 27<sup>th</sup> September, 2019 at 415-416, Arun Chambers, Tardeo Road, Mumbai 400034.

Signature of the attending member / proxy \_\_\_\_\_

**ELECTRONIC VOTING PARTICULARS**

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

Only Member / Proxyholder can attend the Meeting. For remote e-voting please read instructions in the notice of the 36<sup>th</sup> Annual General Meeting. Joint holders may obtain additional attendance slip at the meeting venue.

.....  
**SITA ENTERPRISES LIMITED**  
Regd. Off: 415-416, Arun Chambers, Tardeo Road, Mumbai - 400 034  
Corporate Identification No. (CIN) - L45202MH1982PLC026737  
**Form No. MGT – 11 - PROXY FORM**

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

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

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

as my/our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 36<sup>th</sup> Annual General Meeting of the company, to be held on Friday 27<sup>th</sup> September, 2019 at 9:00 AM at 415-416, Arun Chambers, Tardeo Road, Mumbai - 400 034 and at any adjournment thereof in respect of such resolution as are indicated below:

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

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

Signature of Member.....Signature of Proxyholder(s).....

Affix  
Revenue  
Stamp

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

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