



**SYSTEMATIX CORPORATE SERVICES LIMITED**

**37<sup>th</sup> Annual Report**

**2021-2022**

# INDEX

## STANDALONE

<b>Contents</b>	<b>Page No.</b>
Corporate Information .....	1
Notice .....	4
Directors Report .....	24
Corporate Governance Report .....	50
Management Discussion & Analysis Report .....	71
Independent Auditors Report .....	79
Balance Sheet .....	90
Profit & Loss Account .....	91
Notes .....	94

## CONSOLIDATED

<b>Contents</b>	<b>Page No.</b>
Independent Auditors Report .....	136
Balance Sheet .....	145
Profit & Loss Account .....	146
Notes .....	149

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### ANNUAL GENERAL MEETING

Date : September 29, 2022

Day : Thursday

Time : 11.00 a.m.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Chandra Prakash Khandelwal	- Chairman & Managing Director (Resigned w.e.f. June 21, 2022)
Mr. Nikhil Khandelwal	- Chairman & Managing Director (Chairman w.e.f. August 12, 2022)
Mrs. Anju Khandelwal	- Non-Executive Director
Mrs. Priyanka Khandelwal	- Whole Time Director (Appointed w.e.f. August 12, 2022)
Mr. Shriram Surajmal Khandelwal	- Independent Director
Mr. Sanjay Khandelwal	- Independent Director
Mr. Rakesh Mehta	- Independent Director

### CHIEF FINANCIAL OFFICER

**Mr. Anil Bhagchandani**

### COMPANY SECRETARY & COMPLIANCE OFFICER

**Mrs. Spruha Deshpande**

### PRACTISING COMPANY SECRETARY

M/s. Kothari H. & Associates  
Company Secretaries,  
815, 8th Floor, BSE Building,  
Dalal Street, Fort, Mumbai -400 001

### AUDITORS

M/s. Shah & Taparia, Chartered Accountants,  
203, Center Point Building, 100, Dr. Babasaheb  
Ambedkar Road, Opp. Bharatmata Cinema,  
Lalbaug, Parel, Mumbai – 400 012.

### BANKERS

Yes Bank Limited  
Axis Bank Limited  
Bank of India

### REGISTRAR & TRANSFER AGENTS

**CAMEO CORPORATE SERVICES LIMITED**  
Subramanian Building, No.1, Club House Road,  
Chennai - 600 002, Tamilnadu  
Tel No.: 044-28460390-28460394  
e-mail: [agm@cameoindia.com](mailto:agm@cameoindia.com), Web: [www.cameoindia.com](http://www.cameoindia.com)

### REGISTERED OFFICE

206-207, Bansi Trade Centre, 581/5, M.G.Road,  
Indore - 452 001, Madhya Pradesh  
Tel.: 0731-4068253  
e-mail: [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in)  
Web: [www.systematixgroup.in](http://www.systematixgroup.in)

### CORPORATE OFFICE

“The Capital”, `A` Wing, 6th Floor, No. 603-606,  
Plot No. C-70, `G` Block,  
Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

### CORPORATE IDENTITY NUMBER

L91990MP1985PLC002969

## Profile of Directors and Key Managerial Personnels

### NIKHIL KHANDELWAL: CHAIRMAN & MANAGING DIRECTOR

Mr. Nikhil Khandelwal, Managing Director of the Company has been designated as Chairman of the Company w.e.f. August 12, 2022.

Mr. Nikhil Khandelwal holds a degree in management studies (MBA) from the ISB, Hyderabad and Bachelor in Engineering (BE) from Manipal Institute of Technology (MIT) and responsible for overseeing the group's expansion in Institutional Broking and Investment Banking Business. Previously worked with IDFC Research, leads the Investment Banking Advisory business of Systematix and has 16 years of rich experience in M&A, Private Equity and Strategic Advisory for a wide variety of industries and clients in India and internationally. Has been instrumental in building Systematix's advisory business into an Industry Focused Cross Border M&A platform – with strong engagements with several mid to large India, US, Japan and Europe based companies. At Systematix, he has been advising large corporates and investors based in India and internationally.

### ANJU KHANDELWAL: DIRECTOR

Mrs. Anju Khandelwal is a Master of Engineering in Power & Electronic. She is also Bachelor of Engineering in Electronic and Electricals. She has experience of more than 16 years as Asst. professor in GSITS, one of the oldest and leading engineering college in Central India. Mrs. Anju Khandelwal is Director of Systematix Shares and Stocks (India) Limited and in other group Companies. She is actively involved in brokerage business of securities as well as commodities. She is also involved in setting up as sound risk management & surveillance systems.

### PRIYANKA KHANDELWAL: WHOLE TIME DIRECTOR

Mrs. Priyanka Khandelwal has been appointed as Whole Time Director of the Company as on August 12, 2022, subject to the approval of the members in the ensuing Annual General Meeting.

Mrs. Priyanka Khandelwal holds a degree in management studies (MBA) in Finance. She is having extensive knowledge expertise of more than 10 years in financial services industry. Mrs. Priyanka Khandelwal is associated with Systematix Finvest Private Limited and Systematix Fincorp India Limited. She is overseeing and handling progressive risk management systems and strategies, smooth functioning of accounting and operational activities related to NBFCs. She plays vital role in development of operational management system i.e. contributing right from devising, deploying and monitoring processed to have long terms NBFC operations.

### SHRIRAM SURAJMAL KHANDELWAL: INDEPENDENT DIRECTOR

Mr. Shriram Khandelwal is a qualified Chartered Accountant with more than 36 years of experience in the Accounts & Finance profession. He graduated from Rajasthan University in 1972 and is a Fellow Member of the Institute of Chartered Accountant of India (ICAI). He has conducted several Audits and Taxation assignments of various companies. He is associated with us since 2013. He also actively participates in social work and Member of various charitable institutions.

### SANJAY KHANDELWAL: INDEPENDENT DIRECTOR

Mr. Sanjay Khandelwal is a BE in Electronics and over the years, he has gained vast knowledge in capital markets, project finance. He is director of Kamal Automation Systems Private Limited since 2007.

### RAKESH MEHTA: INDEPENDENT DIRECTOR

Mr. Rakesh Mehta is a qualified Chartered Accountant and Cost Accountant passed with merit having experience of more than 37 years in top Multi-National Companies. He has wide experience in handling commercial functions of big projects. He has worked as Vice President in Reliance group of companies and commercially handled various projects such as world biggest grass root refinery at Jamnagar, Telecommunication project, Retail Petroleum, Retail and Petro chemical business. He has also taken lead in establishing new concept of shared services in the Organisation which facilitated centralized control of various organizational functions.

**ANIL BHAGCHANDANI: CHIEF FINANCIAL OFFICER**

Mr. Anil Bhagchandani is a qualified Chartered Accountant with a rich experience of more than 12 years in the field of finance and taxation. He has a good communication skill to deal with other department supervisors as well as executive management and he strongly believes in team work.

**SPRUHA DESHPANDE: COMPANY SECRETARY & COMPLIANCE OFFICER**

Mrs. Spruha Deshpande is associate member of Institute of Company Secretaries of India and has gained experience of more than 11 years in corporate law and compliances. She has sound knowledge on SEBI regulations and Companies Act, 2013. She has ability to establish and implement good governance practices.

**NOTICE**

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of **Systematix Corporate Services Limited** will be held on **Thursday, September 29, 2022 at 11.00 a.m.** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:-

**ORDINARY BUSINESS:**

1. To consider and approve the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2022, together with the reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2022.
3. To appoint a director in place of Mrs. Anju Khandelwal (DIN: 00474604) who retires by rotation and being eligible, offers herself for re-appointment and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Anju Khandelwal (DIN: 00474604), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. To appoint M/s. Shah & Taparia, Chartered Accountants (ICAI Firm Registration Number: 109463W) as Statutory Auditors of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder including any statutory modifications and/ or re-enactment thereof for the time being in force M/s. Shah & Taparia, Chartered Accountants (ICAI Firm Registration Number: 109463W) be and are hereby appointed as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of this 37<sup>th</sup> Annual General Meeting until the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company on such remuneration as may be decided by the Board of Directors of the Company on the recommendation of Audit Committee from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorized to do all such necessary acts, deeds as may be required to give effect to this resolution including doing necessary filings with the office of Registrar of Companies and/or any other statutory authorities as may be required and issue certified true copy of this resolution as and when required.”

**SPECIAL BUSINESS:**

5. **To re-appoint Mr. Rakesh Mehta (DIN : 03203106) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

**“RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and the Board in its respective meetings held on August 12, 2022, and the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the Company, be and is hereby accorded to re-appoint of Mr. Rakesh Mehta (DIN : 03203106), as an Independent Director of the Company for second term of five consecutive years, with effect from March 10, 2023 to March 09, 2028.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**6. To appoint Mrs. Priyanka Khandelwal (DIN: 01878267) as a Whole Time Director of the Company**

To consider and if thought fit, to pass the following resolution as ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the recommendations of the Nomination and Remuneration Committee and the Board in its respective Meetings held on August 12, 2022 and the provisions of Section 152, Section 161(1) and Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to appoint Mrs. Priyanka Khandelwal (DIN: 01878267) as a Whole-time Director of the Company, for a period of 5 (five) years with effect from August 12, 2022 on terms and conditions and remuneration as follows:

Particulars	Remuneration
Salary	₹ 12,00,000/- per annum
Special Allowance	As may be decided by the Board from time to time which shall not include Provident Fund, Gratuity, Superannuation Fund etc.
Provident Fund, Superannuation Fund, Gratuity, Earned Leave	As per the Rules and Regulations of the Company
Leave Travel Concession	For Self & Family, subject to maximum of once in a year, in India.
Reimbursement of Expenses	She shall also be entitled to reimbursement of all actual expenses or charges, including travel, entertainment and other out-of-pocket expenses incurred by her for and on behalf of the Company, in furtherance of its business and objects.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in the financial year, the Company will pay remuneration by way of Salary including perquisites and allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013 or in accordance with any statutory modification(s) thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**7. To increase the overall managerial remuneration of Mr. Nikhil Khandelwal, Managing Director of the Company.**

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“**RESOLVED THAT** as recommended by Nomination & Remuneration Committee and approved by the Board of Directors of the Company and pursuant to the provisions of Section 196, 197, 198 and 201 of the Companies Act, 2013 (the “Act”) along with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed there-under (including any statutory amendments, modifications or re-enactments thereof) and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, the approval of the Members be and is hereby accorded to increase the Remuneration of Mr. Nikhil Khandelwal, Managing Director of the Company from Rs. 20,00,000/- p.a. to Rs. 30,00,000/- p.a., which is within the maximum permissible remuneration as per Section II of Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** all the existing terms and conditions of his appointment at present shall remain in force except the revision in remuneration.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year during the tenure of services of Mr. Nikhil Khandelwal, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution."

**8. To alter Articles of Association of the Company with respect to removal of Common Seal clause:**

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of the Section 14 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 read with the relevant rules, consent of the shareholders of the Company be and is hereby accorded to amend the Articles of Association of the Company as under:

**a. The definition of "Seal" of Article 2 shall be deleted which is re-produced below :**

*"Seal" means the common seal, for the time being, of the Company.*

**b. Existing Article 19(a) shall be substituted by the following amended Article 19(a) :**

*Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal / rubber stamp of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all Shareholders. Every such certificate shall be issued under the seal / rubber stamp of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a power of attorney and the Secretary or some other person appointed by the Board for the purpose, and such two Directors or their attorneys, and the Secretary or other person shall sign the Share Certificates, provided that, if the composition of the Board permits, provided that, of it, at least one of the aforesaid two Directors shall be a person other than Managing Director or a Wholetime Director. Particulars of every Share certificates issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.*

**c. Existing Article 67 shall be substituted by the following amended Article 67 :**

*The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the seal / rubber stamp of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or*



*other moneys, on the Shares or stock included in the Warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.*

- (i) fact of the issue of the warrant.*
- (ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and*
- (iii) the date of the issue of the Warrant.*

**d. Existing Article 102 shall be substituted by the following amended Article 102 :**

*Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the seal / rubber stamp of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.*

**e. Existing Article 149(s) shall be substituted by the following amended Article 149(s) :**

*at any time, and from time to time, by power of attorney, under the seal / rubber stamp, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;*

**f. Existing Article 154 shall be deleted which is re-produced below:**

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks*
- (b) The Common Seal of the Company shall be used by or under the authority of the Directors or by a Committee of the Board of Directors authorised by it in that behalf in the presence of at least one director, or Secretary or any other responsible officer of the Company as may be expressly authorised by the Board by way of a resolution passed at their duly constituted meeting, who shall sign every instrument to which the seal is affixed. Such instruments may also be counter signed by other officer or officers, if any, appointed for the purpose.*

*However, the certificates, relating to Shares or Debentures in or of the Company, shall be signed in such manner as may be prescribed in the Act and/01` any Rules thereunder`.*

**RESOLVED FURTHER THAT** the existing Articles from Article 155 to Article 185 be re-numbered as Article 154 to Article 184 respectively.

**RESOLVED FURTHER THAT** the Board of Directors, be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution.

By Order of the Board

**Spruha Deshpande**  
Company Secretary

Date: August 12, 2022  
Place: Mumbai

**NOTES**

1. In view of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 (“MCA Circulars”) and Circular number SEBI / HO / CFD / CMD1 / CIR / P/2020/79 dated May 12, 2020 as amended by Circular number SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (“SEBI Circulars”) physical attendance of the Members to the General Meeting venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing General Meeting through VC/OAVM.
2. Pursuant to the MCA Circulars and the SEBI Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this General Meeting. However, the Body Corporates are entitled to appoint authorized representatives to attend the General Meeting through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the General Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Participation of members through VC will be reckoned for the purpose of quorum for the General Meeting as per section 103 of the Companies Act, 2013 (“the Act”).
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the General Meeting through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the General Meeting. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of General Meeting, i.e. September 29, 2022. Members seeking to inspect such documents can send an email to Company Secretary at [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in).
7. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends.
8. Members may note that the Board of Directors, in its meeting held on April 29, 2022 have recommended a final dividend @10% (Re. 1 per share). The record date for the purpose of final dividend for financial year 2021-22 is September 22, 2022. The final dividend, once approved by the members in the ensuing AGM will be paid on or after the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company’s Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

## 9. Deduction of Tax

As you are aware, as per the provisions of the Income Tax Act, 1961 (Act), as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 1, 2020, shall be taxable at the hands of shareholders. The Company is required to deduct tax at source from dividend paid to the shareholders, if approved at the Annual General Meeting (AGM) of the Company as follows:

### I. For Resident Shareholders:

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / have not registered their valid PAN details in their account, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

#### a. Resident Individuals:

No tax shall be deducted on the dividend payable to resident individuals if:

- i. Total dividend amount to be received by them during the Financial Year (FY) 2022-23 does not exceed Rs.5,000/-; or
- ii. The shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfill the requirement of law.
- iii. Exemption certificate is issued by the Income-tax Department, if any.

#### b. Resident Non-Individuals:

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide prescribed details and documents.

- i. Insurance Companies: Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
  - ii. Mutual Funds: Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
  - iii. Alternative Investment Fund (AIF): Self-declaration that its income is exempt under Section 10 (23FBA) of the Act, and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
  - iv. New Pension System (NPS) Trust: Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
  - v. Other Non-Individual shareholders: Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.
- c. In case, shareholders (both individuals or non-individuals) provide certificate under Section 197 of the Act, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

### II. For Non-resident Shareholders:

- a. Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend

payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

- b.** Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e., to avail Tax Treaty benefit, the non-resident shareholders are required to provide the following:
- i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country.
  - ii. Self-attested copy of Tax Residency Certificate (TRC) (for financial year April 1, 2022 to March 31, 2023) obtained from the tax authorities of the country of which the shareholder is a resident.
  - iii. Self-declaration in Form 10F.
  - iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (For financial year April 1, 2022 to March 31, 2023).
  - v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
  - vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

- c.** In case of Global Depositary Receipt (GDR) holders, taxes shall be withheld at 10% plus applicable surcharge and cess in accordance with provisions of Section 196C of the Act, only if they provide self-attested copy of the PAN Card. In case, no PAN details are made available, tax will be deducted at 20% plus applicable surcharge and cess.

Accordingly, in order to enable us to determine the appropriate withholding tax rate applicable, we request you to provide these details and documents as mentioned, above, on or before September 22, 2022 (cut off period). Any documents submitted after cut-off period will be accepted at sole discretion of the Company.

### **III. TDS to be deducted at higher rate in case of non-filers of Return of Income**

The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from amount paid/ credited to specified person:

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income Tax department to determine the applicability of Section 206AB of the Act.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

### **PAYMENT OF DIVIDEND**

The dividend on Equity Shares for FY 2021-22, once approved by the shareholders of the Company at the AGM, will be paid after deducting the tax at source as under:

#### **A. FOR RESIDENT SHAREHOLDERS:**

- Nil withholding in case the total dividend paid is up to Rs.5,000/-.
- Nil withholding for resident shareholders in case Form 15G/Form 15H (as applicable) is submitted along with self-attested copy of the PAN linked to Aadhar. (Please note that the duly filled up forms submitted through your registered email ID will be accepted)
- NIL/ Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Act.
- 10% for resident shareholders in case PAN is provided / available.
- 20% for resident shareholders if copy of PAN is not provided / not available or resident shareholder is specified person under section 206AB as per compliance check utility of income tax department.

#### **B. FOR NON-RESIDENT SHAREHOLDERS:**

- Tax treaty rate (based on tax treaty with India) for beneficial non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- NIL / Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Act.
- 10% plus applicable surcharge and cess for GDR holders if they provide self-attested copy of the PAN card in accordance with provisions of Section 196C of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the above mentioned documents are not submitted.
- Higher rate as discussed in point III above in case of non-filers of Return of Income, as applicable.

#### **C. FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:**

Shareholders holding Ordinary shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.

### **SUBMISSION OF TAX RELATED DOCUMENTS:**

#### **Resident Shareholders**

The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, etc. can be sent by email to Company Secretary at [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in) or to RTA at

agm@cameoindia.com on or before September 22, 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination/deduction received post September 22, 2022 shall not be considered.**

#### **Non-Resident Shareholders**

Shareholders are requested to send the scanned copies of the documents mentioned above at the email id to Company Secretary at [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in) or to RTA at [agm@cameoindia.com](mailto:agm@cameoindia.com).

Documents sent to any other email ids may lead to non-submission of documents and attract TDS as per the provisions of the Act.

These documents should reach us on or before September 22, 2022. In order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post September 22, 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometaxindiaefiling.gov.in/home>

10. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the General Meeting will be provided by CDSL. Members who have cast their votes by remote e-voting prior to the General Meeting may participate in the General Meeting but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the Instructions for E-Voting Section which forms part of this Notice.
12. In line with the MCA Circulars and the SEBI Circulars, the Notice calling the General Meeting has been uploaded on the website of the Company at [www.systematixgroup.com](http://www.systematixgroup.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the General Meeting Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
13. In compliance with the MCA Circulars and the SEBI Circulars, the Annual Report for the Financial Year 2021-22, the Notice of the AGM, instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
14. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA at [agm@cameoindia.com](mailto:agm@cameoindia.com), to receive copies of the Annual Report for the Financial Year 2021-22 in electronic mode.

15. All the correspondence pertaining to shareholding, transfer of shares, transmission etc. should be lodged at the Company's Share Registrar and Transfer Agent : CAMEO CORPORATE SERVICES LIMITED, Subramanian Building, No.1, Club House Road, Chennai – 600002, Tamilnadu Tel No.: 044-28460390-28460394, E-mail: agm@cameoindia.com
16. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
17. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
18. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
19. The members who wish to nominate, any person to whom his securities shall vest in the event of his death may do so by submitting the attached nomination Form to the Company or the Registrar and Transfer Agent of the Company. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.
20. Since the General Meeting will be held through VC or OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

**THE INTRUCTIONS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on Monday, September 26, 2022 at 09.00 a.m. and ends on Wednesday, September 28, 2022 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on Thursday, September 22, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL Depository</b>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<b>Individual Shareholders holding securities in demat mode with NSDL Depository</b>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “**Shareholders**” module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the Depository or Company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>
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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - 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.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 (Three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (Seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied by the company suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

6. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
7. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in) / RTA at [agm@cameoindia.com](mailto:agm@cameoindia.com)
2. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.

**Registration of email id for shareholders holding shares in Demat Mode:**

The Members of the Company holding Equity Shares of the Company in Demat Mode and who have not registered their e-mail addresses may get their e-mail addresses registered with the Depository. For which, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

**PROCESS FOR THOSE MEMBERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/ RTA FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE**

For Physical Shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to RTA/ Company email id at [agm@cameoindia.com](mailto:agm@cameoindia.com) or [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in).

For Demat Shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card) to RTA/Company e-mail id at [agm@cameoindia.com](mailto:agm@cameoindia.com) or [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in).

The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned Shareholders.

**ANNEXURE TO THE NOTICE:****EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.****ITEM NO. 5****To re-appoint Mr. Rakesh Mehta (DIN: 03203106) as an Independent Director of the Company**

The members of the Company at the Annual General Meeting held on September 28, 2018 appointed Mr. Rakesh Mehta as an Independent Director for a term of five years effective from March 10, 2018. In terms of the provisions of Section 149 of the Act, Mr. Rakesh Mehta is eligible for re-appointment for his second term. Pursuant to Sections 149, 152, 160 and all other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulations, approval of the members by way of special resolution is required for the re-appointment of Mr. Rakesh Mehta for a second term of five consecutive years from March 10, 2023 to March 9, 2028. Mr. Rakesh Mehta had given his consent and also declaration that he meets with the criteria of independence as provided in Section 149(6) of the Act and Regulations.

The Board of Directors reviewed the said declarations and in the opinion of the Board, Mr. Rakesh Mehta fulfills the conditions specified in the Act, the rules made thereunder, Regulations for his appointment as an Independent Director and he is independent of the management. The Board, after taking into consideration the valuable contributions made by Mr. Rakesh Mehta; his participation in the Board and based on his performance evaluation, unanimously recommends the special resolution as set out at item no. 5 of this notice.

Mr. Rakesh Mehta is interested in the resolutions set out respectively at item no. 5 of the notice with regard to his appointment. None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in this notice.

**ITEM NO. 6****To appoint Mrs. Priyanka Khandelwal (DIN: 01878267) as a Whole Time Director of the Company**

The Board on the recommendation of the Nomination & Remuneration Committee at its meeting held on August 12, 2022, approved the appointment of Mrs. Priyanka Khandelwal (DIN: 01878267) as Additional Director of the Company with effect from August 12, 2022. As per the provisions of Section 161(1) of the Act, Mrs. Priyanka Khandelwal holds office of Director up to the date of ensuing Annual General Meeting of the Company and being eligible, has offered herself for appointment as Director.

Further, the Board at its meeting held on August 12, 2022 has, subject to the approval of members, appointed Mrs. Priyanka Khandelwal as Whole-time Director for a period of 5 (five) years with effect from August 12, 2022 on the terms and Conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

Pursuant to Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, (the Act) the Companies (Appointment and Qualification of Directors), Rules, 2014, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Mrs. Priyanka Khandelwal as Whole Time Director, requires approval of the Members by way of ordinary resolution.

The terms and conditions of the re-appointment and remuneration payable to Mrs. Priyanka Khandelwal are provided in the resolution referred in Item No. 6.

The Company has received from Mrs. Priyanka Khandelwal (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified in accordance with sub-section (2) of Section 164 of the Act.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of her qualifications, experience and other attributes, that her induction on the Board would be of immense benefit to the Company and it is desirable to avail her services as a Director to strengthen the management of the Company.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No. 6 of the Notice above by way of ordinary resolution.

Except Mrs. Priyanka Khandelwal, Mr. Nikhil Khandelwal and Mrs. Anju Khandelwal, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

#### ITEM NO. 7

##### **To increase the overall managerial remuneration of Mr. Nikhil Khandelwal, Managing Director of the Company.**

Mr. Nikhil Khandelwal is one of the promoters of the Company and has been a significant contributor to the growth of the Company. He holds degree in management studies (MBA) from ISB, Hyderabad and Bachelor in Engineering (BE) from Manipal Institute of Technology and has experience of more than 16 years in M&A, Private Equity and strategic Advisory for a wide variety of industries and clients in India and internationally. He is responsible for overseeing the group's expansion in Institutional Broking and Investment Banking Business.

Mr. Nikhil Khandelwal was appointed as Managing director of the Company for the period of 5 years commencing from September 01, 2021 to August 31, 2026, at a remuneration of Rs. 20,00,000/- p.a. Based on the annual review of his performance and outstanding achievements and contribution made by Mr. Nikhil Khandelwal, it is proposed to increase his remuneration from Rs. 20,00,000/- p.a. to Rs. 30,00,000/- p.a.

The Remuneration payable to the Managing Director has been recommended by the Nomination & Remuneration Committee of the Directors.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Nikhil Khandelwal, Mrs. Anju Khandelwal and Mrs. Priyanka Khandelwal is in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

#### ITEM NO. 8

##### **To alter Articles of Association of the Company with respect to removal of Common Seal clause**

With the enactment of the Companies (Amendment) Act, 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Company it is proposed to alter the existing Articles of Association ("AOA") of the Company by removing/amending the relevant clauses in the AOA of the Company pertaining to the common seal.

Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a special resolution. The Board accordingly recommends the passing of the said resolution as contained in the Notice for approval by the Members as a special resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, directly or indirectly in the proposed resolution.

#### **ANNEXURE TO THE NOTICE:**

**Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting (as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and as per clause 1.2.5 of Secretarial Standard on General Meetings (SS-2).**

Sr. No.	Name of the Director	Mrs. Anju Khandelwal	Mr. Rakesh Mehta	Mrs. Priyanka Khandelwal
	Director Identification Number (DIN)	00474604	03203106	01878267
1	Date of Birth	11/08/1966	23/10/1958	02/05/1985
2	Age	56 years	64 years	37 years
3	Date of Appointment	20/01/2003	09/03/2018	12/08/2022
4	Permanent Account Number (PAN)	ABDPA0470E	ACYPM4764F	AMNPK1265E
6	Expertise in specific functional areas	More than 16 years	More than 37 years	More than 10 years

Sr. No.	Name of the Director	Mrs. Anju Khandelwal	Mr. Rakesh Mehta	Mrs. Priyanka Khandelwal
7	No. of Equity shares held in the Company (as on March 31, 2022)	50,803	NIL	NIL
8	Qualifications	Master of Engineering in Power and Electronics & B.E. in Electronic and Electricals	Chartered Accountant and Cost Accountant	MBA in Finance
9	List of other directorships (excluding Foreign Company)	As per Annexure -I	As per Annexure -II	As per Annexure -III
10	Membership/ Chairmanship of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Chairmanship of Audit Committee of Systematix Fincorp India Limited and Systematix Finvest Private Limited	None	Membership of Audit Committee of Systematix Fincorp India Limited and Systematix Finvest Private Limited
11	Relationships, if any, between Directors, Manager & KMP inter se	Mother of Mr. Nikhil Khandelwal and Mother-in-Law of Mrs. Priyanka Khandelwal	None	Spouse of Mr. Nikhil Khandelwal and daughter in law of Mrs. Anju Khandelwal
12	Terms & Conditions of re-appointment	Non-executive Director liable to retire by rotation	Independent Director not liable to retire by rotation	Whole Time Director liable to retire by rotation
13	Remuneration last drawn	Sitting Fees as approved by Board from time to time	Sitting Fees as approved by Board from time to time	NIL
16	No. of Board Meetings attended during the financial year 2021-22	5 (Five)	4 (Four)	N.A.

**Annexure –I****List of other directorships of Mrs. Anju Khandelwal:**

Sr. No.	Names of the Companies /bodies corporate/ association of individuals	Nature of interest or concern / Change in interest or concern	Date on which interest or concern arose / changed
1	Systematix Shares and Stocks (India) Limited	Director	13/05/2000
2	Systematix Commodities Services Private Limited	Director	16/09/2005
3	Systematix Fincorp India Limited	Director	12/07/2007
4	Systematix Finvest Private Limited	Director	01/12/2010
5	Systematix Capital Services Private Limited	Director	28/08/2008
6	Shiv Shakti Real Estate Private Limited	Director	30/05/2003
7	Thirdwave Mercantile Company Private Limited	Director	12/03/2004
8	Goldflag Exports Private Limited	Director	22/12/2004
9	Topcity Trading Company Private Limited	Director	04/01/2005
10	Magiclone Trading Company Private Limited	Director	04/01/2005
11	Riteplaza Trading Company Private Limited	Director	15/05/2005



Sr. No.	Names of the Companies /bodies corporate/ association of individuals	Nature of interest or concern / Change in interest or concern	Date on which interest or concern arose / changed
12	Goldlife Trading Company Private Limited	Director	01/06/2005
13	Nikunj Mercantile Private Limited	Director	09/08/2007
14	Systematix Distributions Services Private Limited	Director	29/12/2011
15	First Lady Housing Private Limited	Director	12/01/2007

**Annexure – II****List of other directorships of Mr. Rakesh Mehta:**

Sr. No.	Names of the Companies /bodies corporate/ association of individuals	Nature of interest or concern / Change in interest or concern	Date on which Interest or concern arose / changed
1	Systematix Finvest Private Limited	Director	29/05/2018
2	Systematix Shares and Stocks (India) Limited	Director	15/06/2018
3	Systematix Fincorp India Limited	Director	29/05/2018
4	Systematix Ventures Private Limited	Director	09/03/2018

**Annexure – II****List of other directorships of Mrs. Priyanka Khandelwal :**

Sr. No.	Names of the Companies /bodies corporate/ association of individuals	Nature of interest or concern / Change in interest or concern	Date on which Interest or concern arose / changed
1	Systematix Fincorp India Limited	Director	07/03/2011
2	Nikunj Mercantile Private Limited	Director	02/07/2014
3	Tekpoint Properties Private Limited	Director	02/07/2014
4	Snehvardhini Properties Private Limited	Director	02/07/2014
5	Shubham Mangalam Real Estate Private Limited	Director	02/07/2014
6	Rangsharda Properties Private Limited	Director	02/07/2014
7	Funsign Real Estate Private Limited	Director	02/07/2014
8	Ceepeek Real Estate Private Limited	Director	02/07/2014
9	Topcity Trading Company Private Limited	Director	02/07/2014
10	Riteplaza Trading Company Private Limited	Director	02/07/2014
11	Magiclina Trading Company Private Limited	Director	02/07/2014
12	Goldlife Trading Company Private Limited	Director	02/07/2014
13	Systematix Finvest Private Limited	Wholetime Director	07/03/2011
14	Systematix Commodities Services Private Limited	Additional Director	29/07/2022

## DIRECTORS' REPORT

To,  
The Members of  
**SYSTEMATIX CORPORATE SERVICES LIMITED**

Your Directors have pleasure in presenting the 37<sup>th</sup> Board's Report on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2022.

### FINANCIAL SUMMARY OF THE COMPANY:

(₹ in Lakh except EPS)

Particulars	Current Financial Year (31.03.2022)		Previous Financial Year (31.03.2021)	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	2,990.69	8,933.53	914.76	5429.87
Other Income	75.33	160.10	106.41	144.82
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1754.55	3090.61	336.94	750.79
Less: Depreciation/ Amortisation/ Impairment	1.44	405.45	29.17	289.09
Profit before Finance Costs, Exceptional & Extraordinary items and Tax Expense	1753.11	2685.16	307.77	461.70
Less: Finance Costs	194.02	349.38	208.24	354.68
<b>Profit before Exceptional &amp; Extraordinary items and Tax Expense</b>	<b>1,559.09</b>	<b>2,335.78</b>	<b>99.54</b>	<b>107.03</b>
Add/(less): Exceptional items	-	-	-	-
Add/(less): Extraordinary Items	-	-	-	-
<b>Profit /loss before Tax</b>	<b>1,559.09</b>	<b>2,335.78</b>	<b>99.54</b>	<b>107.03</b>
Less: <b>Tax Expense</b>				
Provision for Taxation	329.26	478.77	-	24.88
Deferred Tax	(6.10)	106.88	(4.87)	(21.07)
Income Tax related to Earlier Years	-	0.42	-	(28.42)
<b>Profit for the year (1)</b>	<b>1,235.94</b>	<b>1,749.71</b>	<b>104.41</b>	<b>131.64</b>
Add/(less): Other Comprehensive Income (2)	11.75	34.47	2.72	31.55
<b>Total Comprehensive Income/loss Total (1+2)</b>	<b>1,247.69</b>	<b>1,784.18</b>	<b>107.12</b>	<b>163.19</b>
Balance of profit /loss for earlier years	2,046.08	3685.18	1,938.95	3523.66
Add: Profit for during the year	1,247.69	1715.24	107.12	163.19
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserves	-	(235.34)	-	(1.67)
Less: Dividend paid on Equity Shares	-	-	-	-
Less: Dividend paid on Preference Shares	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Balance carried forward	3,293.77	5234.02	2046.08	3685.18
EPS (Basic)	9.52	13.48	0.80	1.01
EPS(Diluted)	9.52	13.48	0.80	1.01

**TRANSFER TO RESERVES:**

The Board of Directors of your company has decided not to transfer any amount to the reserves for the year under review.

**SHARE CAPITAL:**

During the year under review, there is no change in equity share capital of the Company.

The Company has not issued any equity shares with differential rights / sweat equity shares/ employee stock options or not made any provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2021-22.

The Company has not made any purchase or provision of its own shares by employees or by trustees for the benefit of employees during the financial year 2021-22.

**DIVIDEND:**

The Board at its meeting held on April 29, 2022, recommended a final dividend of Rs. 1/- per Equity Share of the face value of Rs. 10/- each, subject to the approval of Members at the forthcoming Annual General Meeting (AGM).

**BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR / STATE OF COMPANY'S AFFAIR:**

As is evident from the above financial review, during the year, the company has earned standalone revenue of Rs. 3,066.01 Lakh as compared to income of Rs. 1,021.17 Lakh of the previous year which is 200.25% more as compared to last year Income. Consolidated income of Rs. 9,093.63 Lakh as compared to income of Rs. 5,574.69 Lakh of the previous year which is 63.12% more as compared to last year Income.

The Company has earned standalone profit after tax during the year of Rs. 1,235.94 Lakh as compared to the standalone profit after tax of the previous year of Rs. 104.41 Lakh, and consolidated profit after tax during the year of Rs. 1,749.71 Lakh as compared to the consolidated profit after tax of the previous year of Rs.131.64 Lakh.

**DETAILS OF WHOLLY OWNED SUBSIDIARIES:**

The Company as on **March 31, 2022** had five Wholly Owned Subsidiary Companies and one LLP:

- (i) Systematix Shares and Stocks (India) Limited
- (ii) Systematix Fincorp India Limited
- (iii) Systematix Finvest Private Limited
- (iv) Systematix Commodities Services Private Limited
- (v) Systematix Ventures Private Limited
- (vi) Divisha Alternative Investments LLP

**REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES:**

During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as "**Annexure I**" to the Board's Report. The statement also provides the details of performance, financial positions of each of the subsidiaries. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries will be available for inspection during business hours at the registered office of the Company.

**DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED AS SUBSIDIARY, ASSOCIATES AND JOINT VENTURES, DURING THE YEAR UNDER REVIEW, ARE AS UNDER:**

There is no such company become or ceased as a subsidiary, associates and joint ventures, during the year under review.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The particulars of loans, guarantees and investments given/made during the financial year under review and governed by the provisions of Section 186 of the Companies Act, 2013 forms part of financial statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All the transactions/ contracts/ arrangements entered by the Company during the year under review with related party (/ies) are in the ordinary course of business and on arms' length basis. As the transactions entered with related party (/ies) do not fall under Section 188(1) of the Companies Act, 2013. Hence disclosure in Form AOC-2 is not required to be furnished. Related Party transaction policy is posted on the website of the company and is available at [www.systematixgroup.in](http://www.systematixgroup.in)

**MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS DURING THE PERIOD UNDER REVIEW:**

The Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. All related party transactions are in the ordinary course of business and on arms' length basis. Hence Form AOC-2 is not required to be furnished. Transactions with related party are disclosed in Note 34 in 'Notes forming a part of financial statement' annexed to the financial statements for the year.

The company has formulated a policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions and the same is placed on website at [www.systematixgroup.in](http://www.systematixgroup.in)

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A) Changes In Directors and Key Managerial Personnel:**

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mrs. Anju Khandelwal who is liable to retire by rotation and is eligible for re-appointment has offered herself for re- appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

Subsequent to the year under review, Mr. Chandra Prakash Khandelwal has resigned from the position of Chairman and Managing Director of the Company with effect from June 21, 2022 and Mrs. Priyanka Khandelwal has been appointed as an Additional Director with effect from August 12, 2022. Further she will be appointed as Whole Time Director for the period of 5 (years) with effect from August 12, 2022, subject to approval of members in ensuing Annual General Meeting.

Mr. Rakesh Mehta, whose term will expire on March 09, 2023, to be re-appointed as Independent Director for a further term of 5 (five) years with effect from March 10, 2023 to March 9, 2028, subject to approval members in ensuing Annual General Meeting.

During the financial year ended March 31, 2022, Mrs. Shweta Sharma has resigned from the position of Company Secretary and Compliance Officer with effect from August 31, 2021 and in her place Mrs. Spruha Deshpande was appointed as a Company Secretary and Compliance Officer of the Company with effect from September 1, 2021.

**B) Declaration by an Independent Director(s):**

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

**C) Familiarization Programmes for the Independent Directors:**

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarization Programme for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates business model etc. Details of the Familiarization Programme are explained in the Corporate Governance Report and are also available on the Company's website at [www.systematixgroup.in](http://www.systematixgroup.in)

**NUMBER OF BOARD MEETINGS HELD:**

The Board of Directors met 8 (Eight) times during the financial year ended March 31, 2022 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under section 173 of the Companies Act, 2013. Kindly refer section on Corporate Governance, under the head "BOARD OF DIRECTORS (BOARD)."

**FORMAL ANNUAL EVALUATION OF DIRECTORS, COMMITTEES & BOARD:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance (including the Committees) and the directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**RISK MANAGEMENT:**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in strategy, business and operational plans. Some of the risks which may pose challenges are set out in Management Discussions and Analysis Report which forms part of this report.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICFR):**

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures 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.

**DEPOSITS:**

During the year under review, your Company has not accepted any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, no amounts were outstanding which were classified as 'Deposits' under the applicable provisions of Companies Act, 2013 as on the date of Balance Sheet.

**STATUTORY AUDITORS:**

M/s. S. Jawahar & Associates, Chartered Accountants, (FRN: 006232S) has tendered resignation from the post of Statutory Auditor of the Company with effect from October 1, 2021 and to fill the casual vacancy arises due to resignation, M/s. Shah & Taparia, Chartered Accountants (FRN: 109463W) were appointed as a Statutory Auditor of the Company in Extra-ordinary General Meeting held on October 29, 2021 and that they shall hold office of Statutory Auditors of the Company from the conclusion of Extra-ordinary General Meeting held on October 29, 2021 until the conclusion of next Annual General Meeting of the Company. The Company has received certificate under section 139 of the Companies Act, 2013 from M/s. Shah & Taparia, Chartered Accountants (FRN: 109463W) signifying that the re-appointment if made at the ensuing Annual General Meeting will be within the limits specified.

Accordingly, it is proposed to appoint M/s. Shah & Taparia, Chartered Accountants (FRN: 109463W) as the Statutory Auditors of the Company for term of five years from F.Y. 2022-23 to F.Y. 2026-27. The resolution for the said appointment of M/s. Shah & Taparia, Chartered Accountants (FRN: 109463W) being part of the Notice of the ensuing Annual General Meeting of the members.

**OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022:**

M/s. Shah & Taparia, Statutory Auditor of the Company has audited books of account of the Company for the financial year ended March 31, 2022 and have issued the Auditors' Report thereon. The auditor's report does not contain any qualification, reservation or adverse remark or Disclaimer.

**SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2022:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report in respect of the Secretarial Audit carried out by M/s. Kothari H. & Associates, Company Secretaries in Form MR-3 for the FY 2021-22 is annexed herewith as 'Annexure II'. The said report does not contain any qualification, reservation or adverse remark or disclaimer.

**SECRETARIAL AUDIT OF MATERIAL UNLISTED SUBSIDIARY FOR THE YEAR ENDED MARCH 31, 2022:**

For the financial year 2021-22, Systematix Shares and Stocks (India) Limited, Systematix Fincorp India Limited and Systematix Finvest Private Limited are the material unlisted subsidiaries. As per Regulation 24A of SEBI (LODR), the Secretarial Audit of the material subsidiaries mentioned above has been conducted for the financial year 2021-22 by M/s. Kothari H. & Associates, Practicing Company Secretaries. None of the said Audit Reports contain any qualification, reservation or adverse remark or disclaimer. The Secretarial Audit Reports of material subsidiaries for the financial year ended March 31, 2022, are annexed herewith and marked as 'Annexure II (a), (b), and (c)' to this Report

**AUDIT COMMITTEE:**

An Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. Kindly refer section on Corporate Governance, under the head, 'AUDIT COMMITTEE' for matters relating to constitution, meetings, functions & responsibilities of the Committee.

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

In compliance with the provisions of Section 177(9), the Board of Directors of the Company has framed the "Whistle Blower Policy" as the vigil mechanism for Directors and employees of the Company. The Whistle Blower Policy is disclosed on the website of the Company at [www.systematixgroup.in](http://www.systematixgroup.in)

**NOMINATION AND REMUNERATION COMMITTEE:**

A Nomination and Remuneration Committee is in existence in accordance with the provisions of sub section (3) of Section 178. Kindly refer section on Corporate Governance, under the head, 'NOMINATION AND REMUNERATION COMMITTEE' for matters relating to constitution, meetings and functions of the Committee and the Nomination and Remuneration Policy formulated by this Committee. The Company's Nomination and Remuneration Policy framed under Section 178(3) of the Companies Act, 2013 and Chapter IV of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is attached as "Annexure III" to this report.

**PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company is committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In accordance with the introduction of Companies (Accounts) Amendment Rules, 2018 dated July 31, 2018 your Directors would further like to inform that the Company has duly constituted Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Since the provisions of Section 135 of the Companies Act, 2013 became applicable to the Company for the financial year 2022-23, the Board of Directors at their meeting held on April 29, 2022 had constituted Corporate Social Responsibility (CSR) Committee.

**Composition of CSR Committee:**

Sl. No.	Name of Director and Designation	Designation in committee
1	Mr. Shriram Khandelwal, Independent Director	Chairman
2	Mr. Rakesh Mehta, Independent Director	Member
3	Mr. Nikhil Khandelwal, Managing Director	Member

Also, pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has formulated a Corporate Social Responsibility Policy which is available on the website of the Company at <https://www.systematixgroup.in/cms/ResearchReport/CSR%20Policy.pdf>

#### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has adequate systems of internal control, to ensure that all assets are safeguarded and protected against loss from unauthorized use and procedures commensurate with the size and nature of business. The Company continuously upgrades its systems in line with the best availability practices. These systems are supported by periodical reviews by the management and standard policies and guidelines to ensure that financial and other records are prepared accurately.

#### **ANNUAL RETURN:**

Pursuant to Section 92 and 134 of the Companies Act, 2013, the Annual Return as at March 31, 2022 is available on the website of the Company at [www.systematixgroup.in](http://www.systematixgroup.in)

#### **MANAGERIAL REMUNERATION:**

The particulars of employees required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed as “**Annexure IV**”. In accordance with the provisions of Section 136 of the Act, the Board’s Report and the financial statements for the financial year ended March 31, 2022 are being sent to the members and others entitled thereto, excluding the details to be furnished under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which are available for inspection by the members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing Annual General Meeting. If any member desires to have a copy of the same, he may write to the Company Secretary in this regard.

#### **CORPORATE GOVERNANCE CERTIFICATE:**

Pursuant to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Report of Corporate Governance together with the certificate issued by M/s. Kothari H. & Associates, Company Secretaries, on compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Report.

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

##### **A) ENERGY CONSERVATION & TECHNOLOGY ABSORPTION:**

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However the necessary steps have been taken to conserve & preserve the energy.

The Company has maintained a technology friendly environment for its employees to work in. Your Company uses latest technology and equipments. However since the Company is not engaged in any manufacturing, the information in connection with technology absorption is NIL.

##### **B) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The foreign exchange earnings and outgo as required under section 134(3) (m) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014, are provided as follows:

		(In ₹)
a.	Total foreign exchange earned	28,864,323
b.	Total foreign exchange outgo	-

#### **OTHER DISCLOSURES:**

- There are no significant material changes and commitments effecting the financial position of the Company that occurred between the end of financial year and the date of this report.
- There has been no change in the nature of business of the Company for the year under review.
- There was no revision in the financial statements of the Company.
- There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016. There was no instance of one time settlement with any Bank/Financial Institution in respect of loan taken by the Company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.
- No fraud has been reported by the Auditors to the Audit Committee and the Board.
- The Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed;

- a) That in the preparation of the annual financial statements for year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That the directors had 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 as at March 31, 2022 and of the profit 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;
- e) That the proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively; and
- f) Those systems to ensure compliance with the provisions of all applicable laws was in place and was adequate and were operating effectively.

**ACKNOWLEDGEMENTS:**

Your Directors gratefully acknowledge the excellent support received from all stakeholders of the Company viz. clients, members, dealers, vendors, banks and other business partners during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

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

**Nikhil Khandelwal**  
Chairman & Managing Director  
DIN: 00016387

**Date:** August 12, 2022

**Place:** Mumbai



**Form AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

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

Sr. No.	1.	2.	3.	4.	5.	6.
<b>Name of the subsidiary</b>	Systematix Shares and Stocks (India) Limited	Systematix Fincorp India Limited	Systematix Finvest Private Limited	Systematix Commodities Services Private Limited	Systematix Ventures Private Limited	Divisha Alternative Investments LLP
<b>Reporting period for the subsidiary concerned, if different from the holding company's reporting period</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Share Capital</b>	491.35	167.58	187.82	80.00	30.00	11.00
<b>Reserves &amp; surplus</b>	6121.99	1998.66	1264.30	156.52	(17.95)	0.00
<b>Total assets</b>	16405.95	2277.11	2358.02	238.02	12.85	8.67
<b>Total Liabilities</b>	16405.95	2277.11	2358.02	238.02	12.85	8.67
<b>Investments</b>	1862.14	396.30	-	-	10.25	1.00
<b>Turnover</b>	5475.59	254.43	230.50	8.68	0.35	0.00
<b>Profit before taxation</b>	794.12	(166.58)	137.77	11.97	(0.60)	(17.94)
<b>Provision for taxation</b>	222.30	1.38	39.20	(0.06)	0.09	0.00
<b>Profit after taxation</b>	571.82	(167.96)	98.57	(12.03)	(0.69)	(17.94)
<b>Proposed Dividend</b>	-	-	-	-	-	-
<b>% of shareholding</b>	100%	100%	100%	100%	100%	51%

**Notes:**

- Names of subsidiaries which are yet to commence operations – N.A.
- Names of subsidiaries which have been liquidated or sold during the year - N.A.

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

**Nikhil Khandelwal**  
Chairman & Managing Director  
DIN: 00016387

**Anil Bhagchandani**  
Chief Financial Officer

**Date:** August 12, 2022  
**Place:** Mumbai

**Spruha Deshpande**  
Company Secretary

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022**

*[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] and [Pursuant to the provisions of Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
The Members  
**Systematix Corporate Service Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Systematix Corporate Services Limited (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 covering the financial year ended on March 31, 2022 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by Systematix Corporate Services Limited for the financial year ended on March 31, 2022 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: -
    - 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 and amendment made thereunder;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the company during the Audit Period)**
    - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and the SEBI (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the company during the Audit Period)**
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the Audit Period)** and

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the company during the Audit Period)**
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made thereunder.
- 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 Acts, Laws and Regulations as applicable specifically to the company.

(1) Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to Board Meetings and General Meetings.

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.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / Company Secretary / CFO / KMP taken on record by the Board of Directors of the Company, in our opinion there are adequate

Systems and processes in the Company commensurate with the size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances have been subject to review by statutory financial audit and other designated professionals.

**We further report that** during the audit period the Company has not passed any resolution for the following:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction, etc,
- v. Foreign technical collaborations.

For **KOTHARI H. & ASSOCIATES**  
**Company Secretaries**  
**(Peer Review Certificate No. 593/2019)**

**Hitesh Kothari**  
Membership No. 6038  
Certificate of Practice No.5502

Place: Mumbai  
Date: August 10, 2022

**UDIN:** F006038D000777171

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  
**Systematix Corporate Service Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
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 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **KOTHARI H. & ASSOCIATES**  
**Company Secretaries**  
**(Peer Review Certificate No. 593/2019)**

**Hitesh Kothari**  
Membership No. 6038  
Certificate of Practice No. 5502  
**UDIN:** F006038D000761980

Place: Mumbai  
Date: August 10, 2022

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2022**

*[Pursuant to the provisions of Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
The Members  
**Systematix Shares and Stocks (India) Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Systematix Shares and Stocks (India) Limited (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 covering the financial year ended on March 31, 2022 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by Systematix Shares and Stocks (India) Limited for the financial year ended on March 31, 2022 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; ***(to the extend applicable)***
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; ***(to the extend applicable)***
  - 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; ***(not applicable to the Company during the Audit period)***
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): ***((to the extend applicable)***
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment made thereunder; ***(to the extend applicable)***
    - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made thereunder; ***(to the extend applicable)***
- 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 Acts, Laws and Regulations as applicable specifically to the company.
  - a. SEBI (Stock Brokers and Sub-brokers) Regulations, 1992
  - b. SEBI (Portfolio Managers) Regulations, 1993 and SEBI (Portfolio Managers) Regulations, 2020
  - c. SEBI (Depositories and Participants) Regulations, 2018
  - d. SEBI (Research Analysts) Regulations, 2014
  - e. SEBI (Investment Advisers) Regulations, 2013
  - f. The Prevention of Money-Laundering Act, 2002
  - g. SEBI /exchange regulations/directives to govern Company's regulatory licences. -

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to the Board Meetings and General Meetings.

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. There were no changes in the composition of the Board of Directors during the period under review.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / / KMP taken on record by the Board of Directors of the Company, in our opinion there are adequate Systems and processes in the Company commensurate with the size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances have been subject to review by statutory financial audit and other designated professionals.

**We further report that** during the audit period the Company has issued 2,50,000 and 5,00,000 equity shares on the basis of right issue as on 11<sup>th</sup> May, 2021 and 25<sup>th</sup> August, 2021 respectively.

**We further report that** during the audit period the Company has not passed any resolution for the following:

- i. Redemption / buy-back of securities.
- ii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iii. Merger / amalgamation / reconstruction, etc,
- iv. Foreign technical collaborations.

For **KOTHARI H. & ASSOCIATES**  
**Company Secretaries**  
**(Peer Review Certificate No. 593/2019)**

**Hitesh Kothari**  
Membership No. 6038  
Certificate of Practice No. 5502  
**UDIN:** F006038D000761980

Place: Mumbai  
Date: August 08, 2022

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  
**Systematix Shares and Stocks (India) Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **KOTHARI H. & ASSOCIATES**  
**Company Secretaries**  
**(Peer Review Certificate No. 593/2019)**

**Hitesh Kothari**  
Membership No. 6038  
Certificate of Practice No. 5502  
**UDIN: F006038D000761980**

Place: Mumbai  
Date: August 08, 2022

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2022**

*[Pursuant to the provisions of Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
The Members  
**Systematix Fincorp India Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Systematix Fincorp India Limited (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 covering the financial year ended on March 31, 2022 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by Systematix Fincorp India Limited for the financial year ended on March 31, 2022 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(to the extend applicable)**
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(to the extend applicable)**
  - 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; **(not applicable to the Company during the Audit period)**
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **((to the extend applicable)**
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment made thereunder; **(to the extend applicable)**
    - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made thereunder; **(to the extend applicable)**
- 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 Acts, Laws and Regulations as applicable specifically to the company.
  - 1. RBI Act, 1934
  - 2. RBI Master Guidelines issued by RBI from time to time.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to the Board Meetings and General Meetings.

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. There were no changes in the composition of the Board of Directors during the period under review.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / KMPs taken on record by the Board of Directors of the Company, in our opinion there are adequate Systems and processes in the Company commensurate with the size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances have been subject to review by statutory financial audit and other designated professionals.

**We further report that** during the audit period the Company has not passed any resolution for the following:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction, etc,
- v. Foreign technical collaborations.

For **KOTHARI H. & ASSOCIATES**  
**Company Secretaries**  
**(Peer Review Certificate No. 593/2019)**

**Hitesh Kothari**  
Membership No. 6038  
Certificate of Practice No. 5502  
**UDIN:** F006038D000761980

Place: Mumbai  
Date: August 08, 2022

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  
**Systematix Fincorp India Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **KOTHARI H. & ASSOCIATES**  
**Company Secretaries**  
**(Peer Review Certificate No. 593/2019)**

**Hitesh Kothari**  
Membership No. 6038  
Certificate of Practice No. 5502  
**UDIN:** F006038D000761980

Place: Mumbai  
Date: August 08, 2022

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2022**

*[Pursuant to the provisions of Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
The Members  
**Systematix Finvest Private Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Systematix Finvest Private Limited (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 covering the financial year ended on March 31, 2022 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by Systematix Finvest Private Limited for the financial year ended on March 31, 2022 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under **(to the extend applicable)**
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **(to the extend applicable)**
  - 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 **(not applicable to the Company during the Audit period)**
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **(to the extend applicable)**
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment made thereunder; **(to the extend applicable)**
    - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made thereunder; **(to the extend applicable)**
- 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 Acts, Laws and Regulations as applicable specifically to the company.
  - 1. RBI Act, 1934
  - 2. RBI Master Guidelines issued by RBI from time to time.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to the Board Meetings and General Meetings.

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. There were no changes in the composition of the Board of Directors during the period under review.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / KMPs taken on record by the Board of Directors of the Company, in our opinion there are adequate Systems and processes in the Company commensurate with the size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances have been subject to review by statutory financial audit and other designated professionals.

**We further report that** during the audit period the Company has not passed any resolution for the following:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction, etc,
- v. Foreign technical collaborations.

For **KOTHARI H. & ASSOCIATES**  
**Company Secretaries**  
**(Peer Review Certificate No. 593/2019)**

**Hitesh Kothari**  
Membership No. 6038  
Certificate of Practice No. 5502  
**UDIN:** F006038D000761980

Place: Mumbai  
Date: August 08, 2022

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  
**Systematix Finvest Private Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **KOTHARI H. & ASSOCIATES**  
**Company Secretaries**  
**(Peer Review Certificate No. 593/2019)**

**Hitesh Kothari**  
Membership No. 6038  
Certificate of Practice No. 5502  
**UDIN: F006038D000761980**

Place: Mumbai  
Date: August 08, 2022

## Annexure III

**NOMINATION AND REMUNERATION POLICY (u/s 178)****INTRODUCTION:**

Systematix Corporate Services Limited considers human capital as a strategic source of value creation. It aims, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and other employees has been framed by the Committee and approved by the Board of Directors.

**THE OBJECTIVE AND PURPOSE OF THIS POLICY ARE AS FOLLOWS:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the finance industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and others Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and also to ensure long term sustainability of talented managerial persons to create competitive advantage.

**EFFECTIVE DATE:**

This Policy has been adopted by the Board of Directors of Systematix Corporate Services Limited ('the Company') at its Meeting held on 9<sup>th</sup> February, 2016 (The erstwhile Policy stands replaced by this Policy and the effective date is December 01, 2015). In order to comply with the SEBI LODR (Amendment) Regulations, 2018 dated 9<sup>th</sup> May, 2018. This policy is amended wherever required.

Nomination and Remuneration Committee comprises of following Directors:

Sr. No.	Name	Position
1	Mr. Shriram Khandelwal	Chairman
2	Mr. Sanjay Khandelwal	Member
3	Mr. Rakesh Mehta	Member

**DEFINITIONS:**

- **Board**, means Board of Directors of the Company.
- **Directors**, means Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted by the Board.
- **Company**, means Systematix Corporate Services Limited.
- **Independent Director** means a director referred to in section 149(6) of the Companies Act, 2013 and as per Listing Regulation.
- **Key Managerial Personnel (KMP) means-**
  - (i) Managing Director or Chief Executive Officer or manager and in their absence, a Whole-time Director;
  - (ii) Chief Financial Officer;
  - (iii) Company Secretary;

- (iv) Such other officer as may be prescribed under the applicable statutory provisions / rules and regulations.
- “**Regulations**” or “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications or re-enactment thereof.
  - “**senior management**” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below chief executive officer/managing director/whole-time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

**FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at least once in a year and at such regular intervals as may be required.

**APPLICABILITY:**

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

**COMMITTEE MEMBERS' WELFARES:**

Member of the Committee is not entitled to be present/participate in discussion when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

- The key features of this Company's policy shall be included in the Board's Report.

**SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

**RECOMMENDATIONS TO BE MADE BY NRC:**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Recommend to the Board whether to extend or continue the term of appointment of Independent Directors based on the basis of report of performance evaluation.
- Recommend to the Board, all remuneration, in whatever form payable to senior management.

**APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of **seventy Five years**. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**TERM / TENURE:****1. Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**2. Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1<sup>st</sup> October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Managing Director/Whole-time Director of a listed company.

**• Performance Evaluation Criteria of Independent Directors:**

1. Understanding of nature and role of independent directors' position;
2. Active engagement with the Management and attentiveness to progress of decisions taken;
3. Driving any function or identified initiative based on domain knowledge and experience;
4. Proactive, strategic and lateral thinking.

**EVALUATION:**

The Committee shall carry out evaluation of performance of its Board, KMP and Senior Management Personnel its committees and individual directors to be carried by the Board at regular interval (yearly).

**REMOVAL:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**RETIREMENT:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.



**THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:****• General:**

The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior approval of the shareholders of the Company.

1. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
2. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
3. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**• Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:****1. Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013.

**3. Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Shareholders, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

4. The fees or remuneration payable to the executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting if the said compensation exceeds the limit specified in the Regulation 17(6)(e) of the SEBI( Listing Obligation and Disclosure Requirements, Amendment) Regulations, 2018.

**• Remuneration to Non- Executive / Independent Director:****1. Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder. And all the fees or compensation to be paid to non-executive directors shall require approval of the Shareholders in General Meeting except the payment of sitting fees.

The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to single non-executive director exceeds 50% of the total remuneration payable to all the non-executive directors.

**2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the act, per meeting of the Board or Committee or such amount as may be prescribed from time to time.

**3. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit as computed as per the applicable provisions of the Companies Act, 2013.

**4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**AMENDMENTS TO THE POLICY:**

The Nomination and Remuneration Committee shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.

**Note:** The Nomination & Remuneration Policy is displayed on the website of the Company at [www.systematixgroup.in](http://www.systematixgroup.in)

## Annexure IV

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2021-22 (₹ in Lakh)	% increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Chandra Prakash Khandelwal, Chairman & Managing Director	51.00	183.33	6.63
2	Mr. Nikhil Khandelwal, Managing Director	20.00	NIL	2.60
3	Mr. Anil Bhagchandani, CFO	20.00	16.09	N.A.
4	*Mrs. Shweta Sharma	1.13	N.A.	N.A.
5	*Mrs. Spruha Deshpande	5.06	N.A.	N.A.

\* Details not given as Mrs. Shweta Sharma and Mrs. Spruha Deshpande acted as Company Secretary for the part of financial year 2021-22

**Note:** No Director other than Managing Directors received any remuneration other than sitting fees for the financial year 2021-22.

- (i) The median remuneration of employees of the company during the financial year was ₹ 7.69 Lakh.
- (ii) In the financial year 2021-22, there was a reduction of 56.06% in the median remuneration of employees.
- (iii) There were 22 permanent employees on the roll of the Company as on March 31, 2022.
- (iv) The average percentage increase in managerial remuneration was 183.33 %.
- (v) affirmation that the remuneration is as per the remuneration policy of the company:

*It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.*

## CORPORATE GOVERNANCE REPORT

The Directors present the Corporate Governance report of the Company for the year ended March, 31 2022.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance broadly refers to a set of rules and practices designed to govern the behavior of corporate enterprises. The Company's philosophy on Corporate Governance envisages integrity, accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, clients etc. and accordingly lays great emphasis on regulatory compliances. The Company firmly believes that Corporate Governance is a powerful tool to sub serve the long term growth of the Company and continues to give high priority to the principles and practices of good Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of corporate governance as laid down in chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

#### Governance Structure:

Systematix Corporate Services Limited, the Company's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

The Company ensures timely disclosures and sharing of accurate information about financials and performance as well as leadership and governance of the Company.

The Corporate Governance philosophy of the Company rests on five basic tenets viz., Board's accountability, value creation, strategic guidance, transparency and equitable treatment to all stakeholders.

### 2. BOARD OF DIRECTORS (BOARD):

#### (a) Composition:

The Company has an optimum combination of Executive, Non-Executive and Independent Directors, in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on March 31, 2022, the Board consists of 6 (Six) Directors, 3 (Three) of them are Non-Executive Independent Directors. All members of the Board are persons with considerable experience and expertise in the Industry.

The Executive Director provides leadership to the Board and to the Management in strategizing and realizing business objectives and is supported by Independent Directors. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of more than ten (10) Committees and Chairman of more than five (5) Committees (as specified in Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), across all the companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

The Composition and the category of Directors on the Board of the Company as at March 31, 2022 were as under:

Category	Name of Directors
Executive Chairman and Managing Director	*Mr. Chandra Prakash Khandelwal
Executive Managing Director	Mr. Nikhil Khandelwal
Non-Executive Director	Mrs. Anju Khandelwal
Independent Directors	Mr. Shriram Surajmal Khandelwal Mr. Sanjay Khandelwal Mr. Rakesh Mehta

\* Mr. Chandra Prakash Khandelwal has resigned from the Directorship of the Company with effect from June 21, 2022.

**(b) Number of Board Meetings:**

The Board meets at least once in each quarter, *inter-alia* to review the quarterly results and other matters. In addition, the Board also meets whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company.

Board Meeting held during the year.

Sr. No.	Date of Board Meetings held during the Year	Total Strength of the Board	No. of Directors Present
1	April 27, 2021	6	3
2	June 25, 2021	6	6
3	July 06, 2021	6	4
4	August 12, 2021	6	5
5	August 17, 2021	6	3
6	October 01, 2021	6	3
7	November 10, 2021	6	6
8	February 11, 2022	6	5

**(c) Changes in Board Composition:**

There is no change in the Board Composition during the year ended March 31, 2022, however, Mr. Chandra Prakash Khandelwal has resigned from the Directorship of the Company with effect from June 21, 2022 and the Board at its Meeting held on August 12, 2022, has appointed Mrs. Priyanka Khandelwal (DIN: 01878267), as an Additional Director of the Company and on the Recommendation of Nomination and Remuneration Committee, She has also been appointed as Whole Time Director, subject to the approval of the members in the ensuing Annual General Meeting.

**(d) Director's Attendance Record and Directorships:**

Details of Directors attended the Board Meetings during financial year 2021-22 along with their directorships in other Companies are as follows:

Name of Director	Category of Directorship	No. of Board meetings attended	Attended the last AGM	Number of directorships in other Companies	Name of the other Listed Entity in which Directorship held and Category of Director	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
Mr. Chandra Prakash Khandelwal	Executive Chairman and Managing Director	7	Yes	18	N.A.	2	0
Mrs. Anju Khandelwal	Non-Executive Director	5	Yes	15	N.A.	0	0
Mr. Nikhil Khandelwal	Executive Managing Director	8	Yes	16	N.A.	0	0
Mr. Shriram Surajmal Khandelwal	Non-Executive Independent Director	8	Yes	5	N.A.	0	0
Mr. Sanjay Khandelwal	Non-Executive Independent Director	3	Yes	4	N.A.	0	2
Mr. Rakesh Mehta	Non-Executive Independent Director	4	Yes	4	N.A.	0	0

The number of directorships and the positions held on Board Committees by the directors are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2022.

Certificates have also been obtained from Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013, read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(e) Independent Directors:**

All the Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Rules made thereunder and meet the requirement of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Clause 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The meeting of Independent Directors was held on February 14, 2022 inter-alia to,

- Review the performance of Non-independent directors and Board of director as a whole including committees of the Board.

- Review the performance of the Chairperson.
- Assess the quality, quantity and timeliness of flow of information between management and Board of Directors;

Mr. Shriram Surajmal Khandelwal, Mr. Sanjay Khandelwal and Mr. Rakesh Mehta, were present in the meeting.

Assessment of Independent directors was shared with the Chairman of the Board, who had one to one feedback session with them.

With respect to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Director confirms that Independent Director fulfills the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and independent of the management.

The terms and conditions of their appointment and the familiarization programme for Independent Directors are disclosed on the Company's website at [www.systematixgroup.in](http://www.systematixgroup.in)

**(f) Familiarization Programme for Independent Directors:**

The Board members are provided with the Memorandum and Articles of Association, Annual Reports, policies adopted and displayed at the website of the Company alongwith Code of Conduct.

Independent Directors have the freedom to interact with the Company's management. They are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry segments of which it is a part.

The Company has periodically conducted the familiarization programmes for all its directors including independent Directors and the same is being displayed on the website of the company at [www.systematixgroup.in](http://www.systematixgroup.in)

**(g) Board Diversity:**

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board. Pursuant to SEBI Regulations, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is posted on the Company's website of the Company i.e. [www.systematixgroup.in](http://www.systematixgroup.in)

**(h) Code of Conduct:**

The Company has adopted Code of Conduct for Directors and Members of Senior Management of the Company which is applicable to the Board of Directors and Senior Management Personnel as defined in the Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the website of the Company at [www.systematixgroup.in](http://www.systematixgroup.in)

All Board members and senior management have confirmed compliance with the Code for the year ended March 31, 2022. The Managing Director has also confirmed and declared the same. The declaration is reproduced at the end of this report as "**Annexure I**".

**Code of Conduct for Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the website of the Company at [www.systematixgroup.in](http://www.systematixgroup.in)

**(i) Remuneration of Directors:**

All Executive Director(s) receive salary, allowances and perquisites while Non-executive Director and Non-Executive Independent Directors receive sitting fees for attending Board and Committee meetings. Payment of remuneration to the Executive Director is governed by a resolution approved by the shareholders of the Company.

The Remuneration (including perquisites and benefits) paid to the Executive & sitting fees paid to Non – Executive Director during the period ended March 31, 2022, is as follows:

(₹ in Lakh)

Name of Directors	Sitting Fees (in ₹)	Salaries & Perquisites (in ₹)	Total (in ₹)
Mr. Chandra Prakash Khandelwal	-	51	51
Mr. Nikhil Khandelwal	-	20	20
Mrs. Anju Khandelwal	1.2	-	1.2
Mr. Shriram Surajmal Khandelwal	2.3	-	2.3
Mr. Sanjay Khandelwal	1.15	-	1.15
Mr. Rakesh Mehta	1.5	-	1.5

**(j) Relationships, if any, between Directors inter-se:**

Mr. Nikhil Khandelwal is a son of Mrs. Anju Khandelwal and Mr. Chandra Prakash Khandelwal, Directors of the Company.

**(k) Number of Shares and convertible securities held by non- executive Directors:**

Mrs. Anju Khandelwal, Non-Executive Non-Independent Director of the Company is holding 50,803 equity shares of the Company amounting to 0.39%.

**(l) Matrix setting out the core skills/ expertise/ competencies of the Board of Director:**

As stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has identified the following core skills/ expertise/ competencies, required in the context of its business to function effectively.

Sr. No.	Skills/expertise/competences	Name of the Directors
1	Management and Strategy	Mr. Nikhil Khandelwal
2	Business Leadership	Mr. Nikhil Khandelwal
3	Operational matters	Mr. Nikhil Khandelwal and Mrs. Anju Khandelwal
4	Research and Development	Mr. Nikhil Khandelwal and Mrs. Anju Khandelwal
5	Finance and Taxation	Mr. Shriram Surajmal Khandelwal, Mr. Rakesh Mehta and Mr. Sanjay Khandelwal
6	Financial Services	Mr. Nikhil Khandelwal
7	Law	Mr. Shriram Surajmal Khandelwal and Mr. Sanjay Khandelwal
8	Corporate Governance and Ethics	Mrs. Anju Khandelwal, Mr. Sanjay Khandelwal and Mr. Rakesh Mehta

**(m) Certificate from Practising Company Secretary:**

The Company has received a certificate from M/s. Kothari H. & Associates, Company Secretaries to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company during the financial year ended March 31, 2022 by the Ministry of Corporate Affairs or any other statutory authority and the same is attached as “**Annexure II**” which forms part of this report.



### 3. BOARD COMMITTEES:

In compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws, the Board constituted the following committees:

- (a) Audit Committee
- (b) Stakeholders Relationship Committee
- (c) Nomination & Remuneration Committee and
- (d) Corporate Social Responsibility Committee

The Board determines the constitution of the committees and the terms of reference for committee members, including their roles and responsibilities.

#### (a) Audit Committee:

The Audit Committee comprises of three (3) Directors as members, comprising all Non-Executive Independent Directors.

All the members are financially literate and have accounting / related financial management expertise.

The Audit Committee functions according to the roles and responsibilities as mentioned under Companies Act, 2013 and as the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, includes the following function:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and Auditor's Report thereon before submission to the Board of Directors for approval, with particular reference to:
  - Matters required to be included in the director's responsibility statement to be included in the Board of Directors' report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report;
- Reviewing with the management the quarterly financial results before submission to the Board of Directors for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of the chief financial officer after assessing, the qualifications, experience and background, etc. of the candidate;
- To review the financial statements, in particular the investment made by unlisted subsidiary company;
- Carrying out other functions as may be specifically referred to the Committee by the Board of Directors;
- To review the following;
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Internal auditors.
  - Statement of deviations:
    - (a) Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus / notice in terms of regulation 32(7).
    - (c) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of

the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

The Audit Committee also advises the Management on the areas where internal control system can be improved.

#### Meetings of the Audit Committee:

6 (Six) meetings of the Audit Committee were held during the Financial year, i.e. on June 9, 2021, June 25, 2021, August 12, 2021, October 1, 2021, November 10, 2021 and February 11, 2022. Necessary quorum was present at all the meetings.

The details of committee meetings attended by the committee members are given below:

Sr. No.	Name of Committee Members	Category	No. of Committee Meetings attended
1	Mr. Shriram Surajmal handelwal	Non- Executive Independent Director	6
2	Mr. Sanjay Khandelwal	Non- Executive Independent Director	4
3	Mr. Rakesh Mehta	Non- Executive Independent Director	6

**Note:** Mr. Shriram Surajmal Khandelwal, Chairman of the Audit Committee, was present at the previous Annual General Meeting held on September 28, 2021.

The meetings of the Audit Committee are usually attended by the Chief Financial Officer, the Company Secretary and Statutory Auditors. The Business Operation Heads are invited to the Meetings, as and when required. The Company Secretary acts as the secretary to the Committee.

#### Statutory Auditors:

The details of total fees for all services paid by the Company and its subsidiaries to Statutory Auditors are as follows:

Particulars	(₹ in Lakh)		
	By the Company	By the Subsidiaries	Total Amount
Statutory Audit	1,25,000	9,05,000	10,30,000
Other Services	25,000	75,000	1,00,000
<b>Total</b>	<b>1,50,000</b>	<b>9,80,000</b>	<b>11,30,000</b>

#### (b) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee (SRC) comprises of three (3) Directors Comprising of one (1) Non-Executive Non-Independent Director and Two (2) Non-Executive Independent Director, The SRC's composition and terms of reference meet with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

#### Terms of reference:

The terms of reference / powers of the Stakeholders Relationship Committee are as under:

- To look into the redressal of grievances of shareholders and other security holders, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends;
- To oversee the performance of the Registrars & Transfer Agents of the Company;
- To monitor the implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 2015;

- To carry out such other functions as may be directed by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable; and
- To perform such other functions as may be necessary or appropriate for the performance of its duties.
- Stakeholders Relationship Committee members shall be appraised on any request from shareholders asking for annual report or any investor grievance.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants /annual reports/ statutory notices by the shareholders of the company.

#### Meetings of the Stakeholders Relationship Committee:

5 (Five) meetings of the Stakeholders Relationship Committee were held during the year, i.e. on June 25, 2021, August 12, 2021, September 23, 2021, November 10, 2021 and February 11, 2022. Necessary quorum was present at all the meetings.

The details of committee meetings attended by the committee members are given below:

Sr. No.	Name of Committee Members	Category	No. of Committee Meetings attended
1	Mrs. Anju Khandelwal	Non- Executive Non-Independent Director	5
2	Mr. Sanjay Khandelwal	Non- Executive Independent Director	4
3	Mr. Rakesh Mehta	Non- Executive Independent Director	4

**Note:** Mrs. Anju Khandelwal, Chairperson of the Stakeholders Relationship Committee, was present at the previous Annual General Meeting held on September 28, 2021.

During the financial year ended March 31, 2022, the Company had not received any complaint from shareholder. There were no pending letters/ complaints. The status of Shareholders' complaints received upto March 31, 2022 is as stated below:

No. of Complaints received during the financial year ended March 31, 2022	Nil
No. of Complaints not solved to the satisfaction of shareholders	Nil
No of Complaints pending as on March 31, 2022	Nil

#### Name, Designation and Address of the Compliance Officer:

Mrs. Spruha Deshpande  
 Company Secretary & Compliance Officer  
**Systematix Corporate Services Limited**  
 "The Capital", 'A' Wing, 6<sup>th</sup> Floor, No. 603-606,  
 Plot No. C-70, 'G' Block, Bandra-Kurla Complex,  
 Bandra (East), Mumbai – 400 051  
 Tel No.: +91-22-6619 8000/ 4035 8000;  
 Fax No.: +91-22-6619 8029/ 4035 8029  
 E-mail: secretarial@systematixgroup.in  
 Web: www.systematixgroup.in

**(a) Nomination & Remuneration Committee:**

Nomination and Remuneration Committee comprises of Three (3) Non-Executive Independent Directors as members.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The roles and responsibilities of the Nomination and Remuneration Committee, inter alia, include the following function:

- 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 employees.
- 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.
- Formulation of criteria for evaluation of Independent Directors, the Board and every director's performance.
- Evaluation of the performance of every director whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of independent directors.
- Devising a policy on Board diversity.
- Recommendation to the board on remuneration to be paid to senior management.

- 1 (One) meeting of the Nomination and Remuneration Committee was held during the year on August 12, 2021. Necessary quorum was present at the meeting.

The details of committee meetings attended by the committee members are given below:

Sr. No.	Name of Committee Members	Category	No. of committee Meetings attended
1	Mr. Shriram Surajmal Khandelwal	Non-Executive Independent Director	1
2	Mr. Sanjay Khandelwal	Non- Executive Independent Director	1
3	Mr. Rakesh Mehta	Non- Executive Independent Director	1

**Remuneration policy:**

The Committee has formulated a policy on Nomination and Remuneration of Director, Key Managerial Personnel and Senior Management which is attached as to the Directors Report and has been published on the website of the Company at [www.systematixgroup.in](http://www.systematixgroup.in)

**Remuneration to non-executive directors:**

The Non-Executive Directors are paid remuneration by way of sitting fees of ₹ 50,000/- for each meeting attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transaction with the Company. There is no fixed component and performance linked incentives to any of Directors and the Company has not entered into service contracts.

The remuneration of the Managing Director and Executive Directors are decided by the Nomination and Remuneration Committee based on the Company's performance vis-à-vis the industry performance/ track record of the Managing Director and Executive Directors and same is reported to the Board of Directors. The Company pays remuneration by way of salary to its Managing Director. Increment(s) are decided by the Nomination and Remuneration Committee within the overall limits approved by the Members.

**Performance Evaluation Criteria of Independent Directors:**

- Understanding of nature and role of independent directors' position;
- Active engagement with the Management and attentiveness to progress of decisions taken;
- Driving any function or identified initiative based on domain knowledge and experience;
- Proactive, strategic and lateral thinking.

**4. DISCLOSURES:****4.1 Related Party Transaction:**

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Declarations have been received from the senior management personnel to this effect.

The Policy for Related Party Transactions is displayed on the website of the Company at [https://www.systematixgroup.in/cms/ResearchReport/SCSL\\_Policy%20on%20materiality%20of%20RPT%20and%20Dealing%20with%20RPT\\_25.06.2021.pdf](https://www.systematixgroup.in/cms/ResearchReport/SCSL_Policy%20on%20materiality%20of%20RPT%20and%20Dealing%20with%20RPT_25.06.2021.pdf)

**4.2 Statutory Compliance, Penalties and Strictures:**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

**4.3 Whistle Blower Policy:**

The Whistle Blower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behavior and actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation. The Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower Policy is overseen by the Audit Committee of the Board. The Company affirms that no personnel have been denied access to the Chairman of the Audit Committee.

**4.4 CEO / CFO Certification:**

The Chairman and Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman and Managing Director and Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is attached as "**Annexure III**" which forms part of this report.

**4.5 Details of Material Subsidiary:**

The Policy for Determining 'Material' Subsidiaries is displayed on the website of the Company at [https://www.systematixgroup.in/cms/ResearchReport/Policy%20for%20Determining%20Material%20Subsidiary\\_Final.pdf](https://www.systematixgroup.in/cms/ResearchReport/Policy%20for%20Determining%20Material%20Subsidiary_Final.pdf)

**4.6 Disclosure under Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. During

the year under review, the Company has not received any complaint on sexual harassment.

**4.7 Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

Particular	Amount
Loan to Systematix Finvest Private Limited	Rs. 120.19 lakhs

**5. CODE OF CONDUCT ON PREVENTION OF INSIDER TRADING REGULATIONS:**

The Company has implemented 'Code of Conduct on Prevention of Insider Trading Regulations' to comply with the relevant Insider Trading Regulations. In accordance with the policy, the Company has well explained the applicability of the code and important concepts.

An insider shall formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and trades may be carried out in accordance with such plan.

The Company is strictly monitoring its 'Code of Conduct on Prevention of Insider Trading Regulations'.

**6. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS:**

All mandatory requirements of the Listing Regulations have been complied with by the Company.

**7. COMPLIANCE WITH NON- MANDATORY REQUIREMENTS:**

**7.1 Means of Communication:**

**Quarterly results:**

The quarterly financial results of the Company are published in the newspapers, namely Free Press Journal and Choutha Sansar. At the same time, the results are also displayed on the website of the Company at [www.systematixgroup.in](http://www.systematixgroup.in)

The Company has created an exclusive e-mail id [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in) for the investors. The investors can directly send their grievances to the Compliance Officer.

**Website:**

The Company's website [www.systematixgroup.in](http://www.systematixgroup.in) contains dedicated section INVESTOR RELATIONS where shareholders' information is available. The Annual Report of the Company is also available on the website in a user friendly and downloadable form.

**Annual Report:**

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report and Auditor's Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report forms part of the Annual Report.

The Annual Report is displayed on the Company's website [www.systematixgroup.in](http://www.systematixgroup.in)

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**Designated exclusive email-id:**

The Company has designated the following email-ids exclusively for investor servicing.

For queries on Annual Report - secretarial@systematixgroup.in

For queries in respect of equity shares of the Company - secretarial@systematixgroup.in

**7.2 Certificate on Corporate Governance:**

In terms of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Certificate from Practicing Company Secretaries that the Company has complied with the conditions of Corporate Governance is attached as “**Annexure IV**” which forms part of this report.

**7.3 Review of Governance practices:**

We have in this report attempted to present the governance practices and principles being followed at Systematix Corporate Services Limited as evolved over the years, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognized practices of governance so as to meet the expectations of our stakeholders.

**8. DETAILS ON GENERAL BODY MEETINGS:****8.1 Date, Time and Venue for the last three Annual General Meetings held:**

Financial years	Dates	Time	Venue
2020-2021	28.09.2021	11.00 A.M.	Meeting conducted through Video Conferencing (“VC”) / Other Audio Visual Means.
2019-2020	28.09.2020	11.00 A.M.	Meeting conducted through Video Conferencing (“VC”) / Other Audio Visual Means.
2018-2019	27.09.2019	11.00 A.M.	206-207, Bansi Trade Centre, 581/5, M. G. Road, Indore – 452001, Madhya Pradesh.

**Details of the Special Resolutions passed in the previous three AGM:****(a) At the AGM held on September 28, 2021 :**

The following special resolution(s) were passed:

- i. To increase the overall managerial remuneration of Mr. Chandra Prakash Khandelwal, Managing Director of the Company.
- ii. To re-appoint Mr. Nikhil Khandelwal as a Managing Director of the Company.

**(b) At the AGM held on September 28, 2020:**

No special resolution was passed.

**(c) At the AGM held on September 27, 2019:**

The following special resolution was passed:

- i. To re-appoint Mr. Sanjay Khandelwal as an Independent Director of the Company for second term of five consecutive years.



**9. GENERAL SHAREHOLDERS INFORMATION:****Company Registration Details:**

The Company is registered in the State of Madhya Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L91990MP1985PLC002969

<b>Annual General Meeting</b> Day, Date, Time & venue	Thursday, September 29, 2022 at 11.00 a.m. through Video Conferencing (VC)/ Other Audio Video Means (OAVM)
Financial year	April 1, 2021 to March 31, 2022
Book Closure Date	Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
Dividend Payment Date	On or after September 29, 2022
Listed on Stock Exchanges	BSE Limited P.J. Tower, Dalal Street, Fort, Mumbai – 400 001.
Stock Code / Symbol	BSE: 526506
Payment of Listing Fee	The annual Listing Fees for the year 2022-23 has been paid to the concerned Stock Exchange.
Payment of Annual Custodial Fees	The Company has also paid the Annual Custodial fees to both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
In case securities are suspended from trading, the directors report shall explain the reason thereof	N.A.

**Financial Calendar 2022-23 (Tentative):**

Financial Reporting for the quarter ending June 30, 2022	2 <sup>nd</sup> Week of August, 2022
Financial Reporting for the quarter ending September 30, 2022	2 <sup>nd</sup> Week of November, 2022
Financial Reporting for the quarter ending December 31, 2022	2 <sup>nd</sup> Week of February, 2023
Financial Reporting for the quarter ending March 31, 2023	Last Week of May, 2023

**Share Transfer Agents and Share Transfer System:**

The Company has appointed **Cameo Corporate Services Limited** as Registrars and Transfer Agents (RTA) to handle the physical Share Transfer related work and for Electronic connectivity as per the directives of SEBI. The Company's equity shares are traded on the BSE Ltd compulsorily in Demat mode. The Stakeholders Relationship Committee meets periodically for dealing with matters concerning securities of the Company.

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from 1st April, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

Request for transmission of shares and dematerialization of shares will continue to be accepted.

There are no legal proceedings against the Company on any share transfer matter.

**Stock Market Price Data:**

(All Prices are in Rupees)

Month	Company's Share price on BSE			BSE Sensex	
	High Price	Low Price	Turnover	High	Low
April 2021	177.75	134.70	1,47,90,085	50,375.77	47,204.50
May 2021	225.00	175.00	63,97,631	52,013.22	48,028.07
June 2021	265.00	198.00	1,64,88,474	53,126.73	51,450.58
July 2021	264.00	232.05	1,80,17,636	53,290.81	51,802.73
August 2021	339.70	245.60	12,31,15,366	57,625.26	52,804.08
September 2021	359.00	295.30	2,01,16,416	60,412.32	57,263.90
October 2021	450.00	296.20	3,22,26,026	62,245.43	58,551.14
November 2021	474.00	336.00	2,90,31,230	61,036.56	56,382.93
December 2021	437.00	382.75	2,33,95,330	59,203.37	55,132.68
January 2022	464.95	377.00	1,40,29,771	61,475.15	56,409.63
February 2022	450.00	327.00	30,48,297	59,618.51	54,383.20
March 2022	414.95	315.30	52,04,672	58,890.92	52,260.82

**Distribution of Shareholding as on March 31, 2022:**

Shareholding of Nominal Value (₹)	No. of shareholders	% of Total	Share Amount (in ₹)	% of Total
10- 5,000	1456	83.2475	25,49,590	1.9642
5,001 – 10,000	134	7.6615	10,99,430	0.8470
10,001 – 20,000	57	3.2590	8,86,460	0.6829
20,001 – 30,000	38	2.1726	9,80,010	0.7550
30,001 – 40,000	20	1.1435	7,22,220	0.5563
40,001 – 50,000	7	0.4002	3,28,220	0.2528
50,001 – 1,00,000	16	0.9148	10,60,490	0.8170
1,00,001 and Above	21	1.2006	12,21,76,160	94.1246
<b>Total</b>	<b>1749</b>	<b>100.0000</b>	<b>12,98,02,580</b>	<b>100.0000</b>

**Shareholding Pattern:**

Table below gives the pattern of shareholding by ownership and Share Class respectively:

**a. Pattern of shareholding as on March 31, 2022:**

	Category	No. of Shares held	% of Shareholding
<b>A.</b>	<b>Promoters</b>		
<b>(1)</b>	<b>Indian</b>		
	Individual / HUF	7,50,508	5.78
	Central Govt.	-	-
	State Govt.(s)	-	-
	Banks / FI	-	-
	Any Other		
	Bodies Corporate	88,62,276	68.28
	<b>Sub-Total (A)(1):</b>	<b>96,12,784</b>	<b>74.06</b>
<b>(2)</b>	<b>Foreign</b>		
	Individuals (NRI/ Foreign Individuals)	-	-
	Government	-	-
	Institutions	-	-

	Category	No. of Shares held	% of Shareholding
	Foreign Portfolio Investor	-	-
	Any Other	-	-
	<b>Sub-Total (A)(2):</b>	-	-
	<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>96,12,784</b>	<b>74.02</b>
<b>B.</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
	Mutual Funds / UTI	-	-
	Venture Capital Funds	-	-
	Alternate Investment Funds	-	-
	Foreign Venture Capital Investors	-	-
	Foreign Portfolio Investors	-	-
	Banks / FI	-	-
	Insurance Companies	-	-
	Provident Funds/ Pension Funds	-	-
	Others (specify)	-	-
	<b>Sub-Total (B)(1):</b>	-	-
<b>(2)</b>	<b>Central Government/ State Government(s)/ President of India</b>	-	-
	<b>Sub-Total (B)(2):</b>	-	-
<b>(3)</b>	<b>Non-Institutions</b>		
	<b>a) Individuals</b>		
	i) Individual Shareholders holding nominal share capital upto ₹ 2 Lakh	7,45,884	5.75
	ii) Individual Shareholders holding nominal share capital in excess of ₹ 2 Lakh	17,50,134	13.48
	<b>b) NBFCs registered with RBI</b>	-	-
	<b>c) Employee Trusts</b>	-	-
	<b>d) Overseas Depositories (holding DRs)</b>	-	-
	<b>e) Others (specify)</b>		
	i) Bodies Corporate	8,39,184	6.47
	ii) Hindu Undivided Families	31,606	0.24
	iii) NRI	121	0.00
	iv) Clearing Members	545	0.00
	<b>Sub-Total (B)(3):</b>	<b>33,67,474</b>	<b>25.94</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2) +(B)(3)</b>	<b>1,29,80,258</b>	<b>100.00</b>
<b>C.</b>	<b>Non Promoter-Non Public Shareholding</b>		
<b>(1)</b>	<b>Custodian/ DR Holder</b>	-	-
<b>(2)</b>	<b>Employee Benefit Trust</b>	-	-
	<b>Grand Total (A+B+C)</b>	<b>1,29,80,258</b>	<b>100.00</b>

#### Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The report, inter alia, confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in physical mode.

**b. Dematerialization of Shares as on March 31, 2022:**

<b>Particulars</b>	<b>No. of Equity Shares</b>	<b>% to Share Capital</b>
NSDL	6,65,233	5.13
CDSL	1,18,11,182	90.99
Physical	5,03,843	3.88
<b>TOTAL</b>	<b>1,29,80,258</b>	<b>100.00</b>

**Dematerialization:**

The ISIN of the Scrip is INE356B01016

As on March 31, 2022, Dematerialized shares accounted for 96.12% of the total equity. The Company has appointed **CAMEO CORPORATE SERVICES LIMITED** as RTA to handle the physical Share Transfer related work and for Electronic connectivity as detailed below:

**CAMEO CORPORATE SERVICES LIMITED**

Subramanian Building, No.1,  
Club House Road, Chennai - 600002, Tamilnadu  
Tel No. : 044-28460390-28460394  
E-mail : agm@cameoindia.com  
Web : www.cameoindia.com

**Contact Person : Mr. P. Muralidharan, Joint Manager**

**Details of Public Funding obtained in the Last Three Years**

No capital has been raised from public in the last three years.

**CORRESPONDENCE ADDRESS FOR INVESTOR**

Secretarial Department,  
Systematix Corporate Services Limited  
"The Capital", 'A' Wing, 6<sup>th</sup> Floor, No. 603-606,  
Plot No. C-70, 'G' Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Tel No.: +91-22-619 8000/ 4035 8000;  
Fax No.: +91-22-6619 8029/ 4035 8029  
E-mail: secretarial@systematixgroup.in

**Contact person:**

**Mrs. Spruha Deshpande, Company Secretary & Compliance Officer**

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

**Nikhil Khandelwal**  
Chairman & Managing Director  
DIN: 00016387

**Date:** August 12, 2022

**Place:** Mumbai

**Annexure I****Declaration under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct**

I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct for directors and senior managerial personnel in respect of the financial year ended March 31, 2022.

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

**Nikhil Khandelwal**  
Chairman & Managing Director  
DIN: 00016387

**Date:** August 12, 2022

**Place:** Mumbai

## Annexure II

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members of  
**SYSTEMATIX CORPORATE SERVICES LIMITED**  
206-207, Bansi Trade Centre, 581/5,  
M.G Road, Indore - 452001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SYSTEMATIX CORPORATE SERVICES LIMITED** having **CIN L91990MP1985PLC002969** and having registered office at 206-207, Bansi Trade Centre, 581/5, M.G Road, Indore – 452001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Nikhil Khandelwal	00016387	13/08/2018
2.	Anju Khandelwal	00474604	20/01/2003
3.	Sanjay Khandelwal	01592134	30/09/2014
4.	Rakesh Mehta	03203106	09/03/2018
5.	Shriram Surajmal Khandelwal	06729564	30/05/2013
6.	Chandra Prakash Khandelwal	00016373	30/03/1995

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

**For Kothari H. & Associates**  
Company Secretaries  
(Peer Review S2003MH067700)

**Sonam Jain**  
Membership No. F9871  
Certificate of Practice No. 12402  
UDIN: F009871D000694500

Place: Mumbai  
Date: July 27, 2022

**Annexure III****MD & CFO Certification**

It is hereby certified that:

- A.** In connection with the financial statements placed before the Board for the quarter ended March 31, 2022 and that to the best of our knowledge and belief; we certify as follows:
- (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 present 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 our knowledge and belief, no transactions entered into by the company during the quarter which are fraudulent, illegal or violative of the company's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We will keep the auditors and the Audit committee informed about:
- (i)** significant changes in internal control over financial reporting during the quarter;
  - (ii)** significant changes in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and
  - (iii)** Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

However there are no other matters to be brought to the notice of Auditor and Audit Committee for the quarter ended March 31, 2022.

For and on behalf of the Board of Directors  
**Systematix Corporate Services Limited**

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Anil Bhagchandani**  
Chief Financial Officer

Place: Mumbai  
Date: April 29, 2022

**Annexure IV****CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Board of Directors

**SYSTEMATIX CORPORATE SERVICES LIMITED**

We have examined the compliance of conditions of Corporate Governance of SYSTEMATIX CORPORATE SERVICES LIMITED ("the Company"), for the year ended 31<sup>st</sup> March, 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations").

**MANAGEMENT'S RESPONSIBILITY FOR THE STATEMENT**

The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the management of the Company including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations.

**AUDITOR'S RESPONSIBILITY**

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31<sup>st</sup> March, 2022.

**OPINION**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2022.

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

**RESTRICTION ON USE**

The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Kothari H. & Associates**  
Company Secretaries

**Hitesh Kothari**  
Partner  
Mem.No. F6038  
C O P. No. 5502

Date: August 18, 2022  
Place: Mumbai

UDIN: F006038D000808873  
Peer Review Certificate No. 593/2019



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- A. OVE Os in FY2022** was ₹ 1.1 lakh crores which was over 3.5 times of ₹ 31,268 crores raised through 30 IPOs in FY2021. At ₹ 18,300 crores, One 97 Communications (Paytm), India's largest IPO was launched followed by Zomato (₹ 9,375 crores), Star Health (₹ 6,019 crores), PB Fintech (Policybazaar) (₹ 5,710 crores), Sona BLW (₹ 5,550 crores) and FSN E-Commerce (Nykaa) (₹ 5,350 crores). Primary market witnessed increased retail participation in FY2022, with an average of 14.1 lakh applications as compared to 12.7 lakh applications in FY2021.

During FY2022, we at Systematix were associated with several marquee transactions across listed and unlisted companies. We were advisors to one of the fastest growing kitchen appliances brand – Wonderchef – for a INR 1,500 million Private Equity Fund raise, one of the most renowned diagnostic chains in south India – DDRC SRL – for a INR 3,500 million M&A transaction, were involved in partial to full exit of two private equity funds – Newquest and CX Partners – from their portfolio companies, NSE and Veeda Cincal Research, in transactions of INR 1,000 million to INR 2,000 million. We were also sole Book Running Lead Manager (BRLM) to India's first and largest Edu-tech company IPO – Veranda Learning – wherein we raised INR 2,000 million for the company through a main board listing. We follow an expertise-led approach focusing on specific sub-segments of strength, where we have deep understanding of industries, including industry trends, corporate and investor relationships and execution track record. And hence our majority of transaction coverage is in sectors like BFSI, Consumption, Healthcare and Logistics / Supply Chain, with a strong focus on emerging trends in each of these industries. We continue to have rich pipeline across capital markets and advisory with the year FY2022 expected seeing us make significant strides in IPOs (Initial Public Offers) and QIP (Qualified Institutional Placement) transactions.

### **Asset Management:**

Overall mutual fund industry AUM was ₹ 37.6 lakh crores in FY2022, a jump of 20% YoY. On the front of equity mutual fund (excluding arbitrage), AUM stood at ₹ 17.6 lakh crores contributing 47% of the total AUM. Equity category witnessed net inflows in all of the 12 months in FY2022 with total net inflows of ₹ 2.3 lakh crores as compared to ₹ 0.7 lakh crores of outflows in FY2021. Around 2.7 crores of new SIPs were registered in FY2022 as compared to 1.4 crores in FY2021. SIP monthly contribution touched an all-time high of ₹ 12,328 crores in March 2022. SIP flows for FY2022 stood at ₹ 1,24,566 crores vs ₹ 96,080 crores in FY2021.

At Systematix, we have received SEBI's approval for our Media & Entertainment Focused AIF Fund in FY2022. The fund size is targeted to be INR 250-300 crores and we are in the process of evaluating investments from the fund as well as raising the targeted capital.

### **Wealth Management:**

As per Knight Frank's latest edition of The Wealth Report 2022, the number of ultra-high net worth individuals (UHNWIs) has globally increased by 9.3% in 2021 with over 51,000 people witnessing their net assets increased to USD 30 million or more. In India, the number of UHNWIs has grown by 11% YoY in 2021, the highest percentage growth in APAC. Equity markets and digital adoption have been key factors driving growth in the super rich category of India. Further, around 69% of the super wealthy individuals in India is expected to witness an increase of over 10% in their net worth in 2022. India has ranked 3rd in terms of billionaires' population in 2021, following the US and China. Amongst key Indian cities, Bengaluru witnessed highest growth in the number of UHNWIs followed by Delhi and Mumbai.

## **B. INDIAN ECONOMY:**

Despite the setbacks witnessed on account of the various concerns being faced at the global level, India's economic fundamentals remain strong. It is expected that despite the short-term turbulence (hardening interest rates, geo-political fallouts, supply-side shocks, logistic concerns, increasing commodity prices, covid pandemic, etc.), the long-term prospects still remain intact. As the country recovers from the aftershocks of the pandemic-induced troubles and the Ukraine-Russia war, the results of the growth-enhancing policies and supportive schemes by the Central Government (Production-linked Incentive Schemes, Atmanirbhar Bharat Abhiyan, National Infrastructure pipeline), is expected to start kicking in only from the next fiscal onwards. Higher infrastructural financing and development will be crucial to address the existing gaps in the physical infrastructure, especially, in the rural areas. Through implementation of a credible fiscal strategy to bring down the Debt-GDP ratio, while meeting the multi-faceted development needs, all these measures are likely to have a multiplier effect on jobs and incomes, higher productivity and higher efficiencies. These are expected to translate into better economic growth and prospects going ahead.

A stronger emphasis on manufacturing and strengthening of the service sector, through various government schemes, backed by a push towards digitization and technological adoption and transformation, are also set to push India's march forward on the world front. Besides, as an obvious offshoot of the current geopolitical conditions, India has emerged as a favored alternate investment destination.

From the short-term standpoint, the next few months remain crucial from the economic lens as the Reserve Bank of India (RBI) and the Government work out to balance out the inflationary stress on the system, currency, external accounts, and fiscal deficit. India's ability to have endured the pandemic over the last couple of years, has already testified its resilience. This resilience is expected to guide the growth of the economy, for it to retain its status as the fastest-growing major economy over the next decade.

### C. OUTLOOK FOR FY2023:

With rapid shift in clients' behavior towards consuming services digitally, there has been a surge in digital mode of making investments. The new breed of investors entering the stock market are tech-savvy and seeks quality user interface and user experience. The industry witnessed advent of digital brokers, who gained significant market share by leveraging their digital-first approach and creating a rich user experience. This shift in trend is disrupting the equity broking space, which was otherwise largely dominated by traditional players who followed the yield based fees model.

We believe that the Retail, HNI and Institutional Broking businesses will continue to be disrupted by technology driven changes and hence as a brokerage firm, one has to remain at the edge of such innovation.

Further, the capital markets have been quite soft YTD FY23, but are expected to see pickup in activity in H2FY2023. With a clear focus of investors on "capital efficient" and profitable businesses, the year FY23 is expected to see a better mix of companies raising capital through primary or follow-on offerings. We do believe that FY2023 will be a landmark year in the Indian Capital markets with "quality" businesses getting their due interest from the investors, and record pace of transactions.

### D. OPPORTUNITIES/ THREATS/ STRENGTHS:

#### Opportunities:

- Long-term economic outlook positive, will lead to opportunity for financial services;
- Growing Financial Services industry's share of wallet for disposable income;
- Regulatory reforms would aid greater participation by all class of investors;
- Leveraging technology to enable best practices and processes.

#### Threats:

- Execution risk;
- Short term economic slowdown impacting investor sentiments and business activities;
- Slowdown in global liquidity flows;
- Increased intensity of competition from local and global players, especially the players with strong technology edge in the business;

#### Strengths:

- Strong Brand name;
- Strong deals execution track record;
- Experienced top management;
- Integrated financial services provider;
- Independent and insightful research;
- State of art infrastructure.

**E. RISKS AND CONCERNS:**

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. Internally, it has constituted a Committee to manage these risks. This team identifies, assesses and monitors all principal risks in accordance with defined policies and procedures. The committee is headed by the Chairman & Managing Director. The Board Level Committees viz. Audit Committee and Risk Management Committee oversee risk management policies and procedures.

**F. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

The Company has adequate systems of internal control, to ensure that all assets are safeguarded and protected against loss from unauthorized use and procedures commensurate with the size and nature of business. The Company continuously upgrades its systems in line with the best availability practices. These systems are supported by periodical reviews by the management and standard policies and guidelines to ensure that financial and other records are prepared accurately.

**G. SYSTEMATIX OVERVIEW:**

Systematix Corporate Services Limited (SCSL) has come a long way since its incorporation more than three decades ago. The Company is a SEBI registered 'Category I' Merchant Banker and consists of 5 subsidiaries. Your Company's operations are organized around three broad business lines – Public Issues / Follow on Offerings / Right issues, Debt Syndication and Private Placements for its prestigious corporate clients. With a knowledge centric approach and our mission to provide our customers with secure, customized and comprehensive financial solutions and thereby achieve sustained growth we have restructured ourselves through a hub-and-spoke model and have become a one stop service provider of financial services across various assets classes during the year. Through its five subsidiaries, your Company has established its presence in the Wealth Management, Institutional & HNI / UHNI Broking, Commodities and Loan Against Shares (through RBI registered NBFC). Systematix Corporate Services Ltd. through its associates has also set up a SEBI approved Alternative Investment funds (AIF). Your Company, through its subsidiaries, has facilities at around 8 locations via branches & franchisees, spread across 4 states, targeting a strong client base across India.

This strategy is complemented by the following strengths:

- Diversified revenue streams with a balanced mix of revenue from various businesses
- Strong and liquid balance sheet
- Cost flexibility
- Risk Management
- People and culture

As a result, Systematix has emerged as a truly diversified Financial Services firm with a wide selection of products and services spanning multiple asset classes and consumer segments. Now SCSL offers Equity, Commodities, Currency, IRF, SLBs, Depository Service, Online Trading, IPO and Mutual Fund Distribution, PMS, Loan against Shares apart from Merchant and Investment banking services to various clients. We maintain our focus on building a long term sustainable business structured around the strengths of our scalable technology platform, enhanced customer service and the introduction of applications that enhance customer experience.

**H. SERVICES OFFERED:****i. Merchant Banking:**

Merchant Banking Division comprises of a group of highly experienced professionals with diverse expertise in merchant and investment banking with special skills in assisting medium sized companies going public. We help companies to raise capital during the seed, growth and expansion phases as well as acquisition financing and structuring the deal to maximize value for all its stakeholders. The comprehensive range of services from conception to completion provided under one roof reinforces our commitment on quality assurances through total involvement. The team have more than a decade experience in the capital markets and have handled a variety of deals across several key sectors such as hospitality, automobiles, retail, engineering, media & entertainment, infrastructure, logistics, metals & mining, pharmaceuticals, power, banking & financial services, telecom & IT among others. During the year under review, the division has gone up around 200.46.61 % to ₹ 3066.01 Lakh as compared to last year of ₹ 1020.43 Lakh.

Our offerings are as follows:

- Open Offers/ Delisting / Buy-backs;
- IPOs/ Rights Issues/Follow-on Public Offers;
- Equity / Debt placements;
- Valuations;
- ESOP Advisory;
- Other Corporate Advisory Services.

**ii. Financing & Other Activities:**

The income from financing & other activities was ₹ 499.56 Lakh as compared to previous year ₹ 647.54 Lakh; decrease by 22.87% over the preceding year.

The Company's product offerings include activities like financing against shares and margin funding.

**iii. Wealth Management:**

We have built our Wealth Management offering with a passion for excellence. The Wealth Management team at Systematix works with the objective of providing our clients with a bouquet of smart investment products, each analyzed and evaluated meticulously and thereafter blended together to precisely meet your unique investment needs. We have an enviable research team that spans multiple asset classes bringing insightful research to our team of wealth managers. The proximity and connectivity of our Management with industry enables us to view in closer detail, the companies we study for investing.

Our approach is entirely client-centric, which means that the services and products will be tailored to suit your specific requirements, while we build the wealth management plan around you. We draw from our expertise spanning every aspect of wealth management to create solutions for exclusively for you. What makes us truly different is what we do after you make the investments, we constantly monitoring of your investments, fine tuning them to dynamic external scenario of today.

Distribution and marketing income comprises commission, brokerage and marketing income generated from distribution of third party products such as insurance, mutual funds, IPO and online marketing on the Company's website. A part of the income is contributed by commission and brokerage on Mutual Fund Distribution from the wealth management platform. During the year company's income from distribution and marketing was ₹ 818.80 Lakhs as compared to ₹ 482.21 Lakh earnings & Increased by 69.80 % from last year.

Systematix Wealth Management has a dual structure where Private Client Group offers personalized advisory services, on the other side Portfolio Management Services offers personalized asset management services.

**iv. Portfolio Management Services:**

Portfolio Management Service (PMS) is a sophisticated investment vehicle that offers customized investment strategies to capitalize on opportunities in the market. Efficient Investment Management requires time, knowledge, understanding, expertise and constant monitoring of developments in micro and macro economical environment. That is difficult for investors because of involvement in its own business profession and other activities. For those who need an expert to help to manage their investments, PMS is the right answer. An experienced Fund Manager considers your financial goals and market environment to form a right investment strategy that is best suitable for your portfolio. Given the unpredictable nature of the markets, Our Portfolio Managers work with clients to design an individual investment strategy in accordance with their objectives, risk tolerance, and liquidity needs and draw upon the best suited portfolio. In a nut shell, based on our holistic investment approach and innovative product capabilities we offer you very active multi asset class portfolio advisory & management services with personalized attention and active participation of Systematix' management. We offer both discretionary and non-discretionary portfolio services.

**v. Commodities & Currency Derivatives:**

Commodities market has emerged as a separate asset class offering for market-savvy investors, arbitrageurs and speculators to create wealth. Today, Commodities have evolved as the next best

option after stocks and bonds for diversifying the portfolio. On other hand, Currency Derivatives Trading is emerging as an avenue for market-savvy investors (individuals and corporate) in India to diversify their portfolio and manage their foreign exchange risk by hedging against exposure taken on currency loans or for exporters and importers to hedge their currency fluctuation risk or for monetary appreciation or depreciation. Systematix aims to harness the immense potential of the Commodities and Currency Derivatives market by providing you a simple yet effective interface, research and knowledge.

**vi. Research:**

Research Team offers incisive, timely, objective and in-depth research across multiple asset classes. Driven by an in-depth understanding of investments and a deep sense of professional ethics and integrity, the Systematix Wealth Research team provides unbiased advice to our clients. Being present across the entire spectrum of investment services / products, such as equities, derivatives, fixed income products, currencies, mutual funds and commodities, Systematix Wealth Research subjects each security in its universe to stringent analytical rigor to arrive at the fair value. We take pride in our philosophy of offering advice which is in the best interest of our clients. Our emphasis on building long-term relationship ensures that we work closely with our clients empowering them to gain from market opportunities.

Our Research Process is structured around the objective of enabling our Wealth Management Team to create winning portfolios for our Clients across diverse assets, capable of delivering superior returns to investors as well as to prevent portfolio erosion in bad times.

The Philosophy and Goal of Systematix Wealth Research is to provide investors with a clear analysis that enables them to take a rational decision towards achieving the desired profit objectives.

**I. FINANCIAL PERFORMANCE HIGHLIGHTS:**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India.

**Table 1: Abridged Statement of Profit and Loss (₹ in Lakh) – Consolidated**

Particulars	FY 2021-22	% of Total Income	FY 2020-21	% of Total Income
<b>Revenue</b>				
Income from Operation	8933.53	98.24	5488.46	98.45
Other Income	160.10	1.76	86.23	1.55
<b>Total</b>	<b>9093.63</b>	<b>100.00</b>	<b>5574.69</b>	<b>100.00</b>
<b>Expenditure</b>				
Employees Cost	3355	36.89	2685.59	48.17
Finance Cost	349.38	3.84	354.68	6.36
Net loss on fair value changes	0.00	0.00	0.00	0.00
Share of loss from Joint Venture LLP	9.15	0.10	2.34	0.04
Impairment on financial instruments	339.26	3.73	184.09	3.30
Depreciation	66.19	0.73	105.00	1.88
Other Expenses	2638.87	29.02	2135.96	38.32
<b>Total</b>	<b>6757.85</b>	<b>74.31</b>	<b>5467.66</b>	<b>98.08</b>
Exceptional Items	-	-	-	-
<b>Profit Before Tax</b>	<b>2335.78</b>	<b>25.69</b>	<b>107.03</b>	<b>1.92</b>
Tax- current & deferred	586.06	6.44	(24.61)	(0.44)
<b>Profit after Tax</b>	<b>1749.71</b>	<b>19.24</b>	<b>131.64</b>	<b>2.36</b>
Other comprehensive income	34.47	0.38	31.55	0.57
<b>Total comprehensive income for the year</b>	<b>1784.18</b>	<b>19.62</b>	<b>163.19</b>	<b>2.93</b>
Earning per Shares (Basic)	<b>13.48</b>	<b>NA</b>	<b>1.01</b>	<b>NA</b>
Earning per Shares (Diluted)	<b>13.48</b>	<b>NA</b>	<b>1.01</b>	<b>NA</b>

The revenues of the Company for the financial year under review are ₹ 9093.63 Lakh as compared to ₹ 5574.69 Lakh for the previous year. The profit for the year under review is ₹ 1784.18 Lakh as against the Loss of ₹ 163.19 Lakh in the previous year.

**Table 2: Abridged Statement of Profit and Loss (₹ in Lakh) – Standalone Basis**

Particulars	FY 2021-22	% of Total Income	FY 2020-21	% of Total Income
<b>Revenue</b>				
Income from Operation	2990.69	97.54	914.76	89.58
Other Income	75.33	2.46	106.41	10.42
<b>Total</b>	<b>3066.01</b>	<b>100.00</b>	<b>1021.17</b>	<b>100.00</b>
<b>Expenditure</b>				
Employee benefits expenses	646.37	21.08	419.48	41.08
Finance Cost	194.02	6.33	208.24	20.39
Net loss on fair value changes	0.00	0.00	0.75	0.07
Impairment on financial instruments	-2.19	-0.07	2.72	0.27
Share of loss from Joint Venture LLP	9.15	0.30	2.34	0.23
Depreciation	3.63	0.12	26.45	2.59
Other Expenses	655.94	21.39	261.65	25.62
<b>Total</b>	<b>1506.92</b>	<b>49.15</b>	<b>921.63</b>	<b>90.25</b>
Exceptional Items	-	-	-	-
<b>Profit Before Tax</b>	<b>1559.09</b>	<b>50.85</b>	<b>99.54</b>	<b>9.75</b>
Tax- current & deferred	323.15	10.54	(4.87)	(0.48)
<b>Profit after Tax</b>	<b>1235.94</b>	<b>40.31</b>	<b>104.41</b>	<b>10.22</b>
Other comprehensive income	11.75	0.38	2.72	0.27
<b>Total comprehensive income for the year</b>	<b>1247.69</b>	<b>40.69</b>	<b>107.12</b>	<b>10.49</b>
Earning per Shares (Basic)	9.52	-	0.80	-
Earning per Shares (Diluted)	9.52	-	0.80	-

➤ **Performance of Subsidiaries:**

**Systematix Shares and Stocks (India) Limite**

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21	Growth %
Total Revenues	5588.86	4215.91	32.57
EBIDT	1047.12	445.16	135.22
PBT	794.12	259.65	205.84
PAT	571.82	268.97	112.60

**Systematix Fincorp India Limited**

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21	Growth %
Total Revenues	267.75	221.92	20.65
EBIDT	(157.87)	(212.91)	25.85
PBT	(166.58)	(232.43)	28.33
PAT	(167.96)	(229.47)	26.81

**Systematix Finvest Private Limited**

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21	Growth %
Total Revenues	231.71	425.63	(45.56)
EBIDT	184.53	194.35	(5.05)
PBT	137.77	5.47	2420
PAT	98.57	8.37	1078

**Systematix Commodities Services Private Limited**

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21	Growth %
Total Revenues	29.52	9.61	207.09
EBIDT	11.98	(24.50)	148.90
PBT	11.97(24.65)	(24.65)	148.56
PAT	12.03(20.01)	(20.01)	160.12

**Systematix Ventures Private Limited**

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21	Growth %
Total Revenues	0.36	0.40	(8.47)
EBIDT	(0.60)	(0.51)	(16.40)
PBT	(0.60)	(0.51)	(16.40)36.37)
PAT	(0.69)	(0.61)	(11.91)22.52

**Details of significant changes in key financial Ratios:**

Sr. No.	Particulars	31.03.2022	31.03.2021	change in %	Explanation
1.	Debtors Turnover Ratio	3.51	6.77	(48.15)	Due to decrease in revenue from operations, debtors turnover ratio decreases.
2.	Interest coverage ratio (ICR)	7.69	1.30	491	Due to Decrease in Interest Expenses, EBIT is decreased Hence it affected ICR
3.	Current ratio	1.42	1.18	19.94	Due to Increase in trade receivable, bank balance and Decrease in deposits, Current Ratio increases
4.	Debt Equity Ratio	1.75	2.21	(20.92)	Liabilities during the year is decreased, Hence Debt Equity Ratio is decreased
5.	Operating Profit Margin	29.53	8.28	256.53	Revenue from operation increased hence operating profit margin increased
6.	Net Profit Margin	19.24	2.36	714.83	Due to Increase in Revenue from Operations and Decrease in Finance Cost resulted in Net Profit for the year
7.	Return on Net Worth	18.24	1.71	979.50	Due to Increase in Revenue from Operations and Decrease in Finance Cost resulted in Net Profit for the year

**Note :** The figures for the corresponding previous period have been restated / grouped wherever necessary.

**J. HUMAN RESOURCES:**

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year. Recruitment process has been strengthened to ensure higher competence levels. There were 22 permanent employees on the roll of the Company as on March 31, 2022.

**K. CAUTIONARY STATEMENT:**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS,  
SYSTEMATIX CORPORATE SERVICES LIMITED**

**Report on the Audit of Standalone Ind As Financial Statements:**

**Opinion**

1. We have audited the accompanying standalone IND AS financial statements of **M/s. Systematix Corporate Services Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss for the year, (including other Comprehensive income), the Cash flows Statement, and the Statement of Changes in equity for the year then ended and notes to financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2022, the Profit (Including Other Comprehensive Income), the Changes in equity, and its cash flows for the year ended on that date.

**Basis of Opinion**

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Key audit matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTERS	AUDITOR'S RESPONSE
<p><b>Revenue from Operations</b></p> <p>Revenue from operations mainly comprises of revenue from investment banking services which includes lead manager's fees, underwriting commission, fees for mergers, acquisitions and advisory assignments; and arranger's fees for mobilizing debt funds.</p> <p>Revenue is recognized when the services for the transaction are determined to be completed or when specific obligations are determined to be fulfilled as per the terms of the engagement.</p> <p>The variety and number of obligations within the contracts can make it complex and requires significant judgement of management to determine completion of the performance condition associated with the revenue. Due to this complexity and significant level of judgement involved, we have identified Revenue from operations a Key Audit Matter in respect of standalone financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>– Obtained process understanding and tested the design and implementation of the controls established by the Company for revenue recognition.</li> <li>– For selected samples, evaluated fulfilment of the performance obligations as per the terms of engagement with customers by checking the underlying documents.</li> <li>– Obtained corroboration from the business teams on the open mandates and checked the reconciliation prepared by the Company between the open mandates and the revenue recognized in the books of accounts.</li> </ul>

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

5. 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. The Company's annual report is expected to be made available to us after the date of this auditor's report.
6. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations. We have nothing to report in this regard.

#### Management Responsibilities for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance, and the cash flow of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.
9. 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.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

11. 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.
12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company 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.
  - 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.
13. 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.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.
15. 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.
16. 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**

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representation received from the directors as on 31<sup>st</sup> march 2022 taken on record by the Board of directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 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.

- g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act;

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the company 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, as amended 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 as at 31<sup>st</sup> March, 2022 on its financial position in its standalone financial statements - [Refer Note No 30]

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

- iv. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(i) and (iv)(ii) contain any material mis-statement.
- i) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

**For Shah & Taparia**

Chartered Accountants

FRN NO:109463W

**Narottam Shah**

Partner

M NO.106355

Place : Mumbai

Date : 29 April 2022

**UDIN NO: 22106355AIDKPL9496**

## Annexure A” to the Independent Auditors Report

(referred to in paragraph 17 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2022.)

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
  - B. The Company did not have any intangible assets hence reporting under clause 3(i)(a)(B) is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company did not have any immovable properties, hence reporting under para 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, the company does not have any inventories and hence reporting under para 3(ii) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Hence reporting under this clause is not applicable.
- (iii) (a) According the information and explanations given to us, the Company has not provided any guarantee or security to companies, firms, LLP’s or any other parties. However during the year under review, the company has made investments in other companies and has also granted unsecured loans and advances in the nature of loans, to its subsidiary and other parties.
  - i. The aggregate amount of loan advanced during the year to its subsidiary and other related party is Rs. 1,043.90 Lakhs and Rs. 30 Lakhs and balance outstanding as at the Balance Sheet date is Rs. 120.19 Lakhs and Rs. 30 Lakhs respectively;
  - ii. Further the aggregate amount of loan advanced during the year to other party is Nil and balance outstanding as at the Balance Sheet date is Nil;
- (b) The investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the company are not prejudicial to the interest of the Company except that there are no stipulations of schedule of repayment of principal and payment of interest for the loans and advances in the nature of loans given by the Company.
- (c) According to the information and explanations given to us and based on examination of the books and records, there is no stipulation of schedule of repayment of principal and payment of interest for the loans and advances in the nature of loans given by the Company. As such we are unable to make specific comment on regularity of repayment of principal and payment of interest;
- (d) According to the information and explanations given to us and based on examination of the books and records, since the loans and advances in the nature of loans are given by the company without

any stipulation of schedule of repayment of principal and payment of interest, we are unable to make any specific comment on the overdue outstanding as at year end;

- (e) According to the information and explanations given to us and based on examination of the books and records, as the loans and advances in the nature of loans are given by the company without any stipulation of schedule of repayment of principal and payment of interest, we are unable to make any specific comment on any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;
- (f) As per information and explanations given to us, and based on examination of the books and records, the company has granted loan and advances in the nature of loan that are repayable on demand or without specifying terms or period of repayment and in respect of such loans granted to related party as defined in clause (76) of section 2 of the Companies Act, 2013, the details are given here under:

(Rs. In Lakhs)

	Other Than Related Parties	Related Party	Total
Aggregate amount of loans / advances in nature of loans - Repayable on Demand or without specifying terms or period of repayment	Nil	150.19	150.19
Percentage of loans/ advances in nature of loans to the total loans	NA	100%	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has given loans, but has not provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the FY 2021-22. To the best of our knowledge and as per the information and explanations provided to us by the management, during the year no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by the Company. Accordingly, para 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us there were no dues of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues which have not been deposited by the Company on account of disputes, except as mentioned hereunder:

Name of the Statute	Nature of Dues	Amount (₹ In lakhs)*	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Tax payable u/s 156	Rs 19.03	AY 2017-18	Commissioner of Income Tax Appeals, Mumbai

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act 1961 as income during the year.

- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

According to the information and explanations given to us by the management, the Company has not obtained term loans during the year.

According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

- (x) According to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer including debt instruments. Accordingly, clause 3(x)(a) of the Order is not applicable.

According to the information and explanations given to us, during the year the company has not made preferential allotment of shares. The requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

- (xi) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

According to the information and explanations given to us, there were no whistle blower complaints received during the year. Accordingly para 3(xi)(c) of the Order is not applicable.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

- (xiv) Based on information and explanation provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

We have considered the internal audit reports of the Company issued till date for the period under audit.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, para 3(xvi)(a) and (b) of the Order is not applicable.

According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of para 3(xvi)(d) are not applicable.

- (xvii) According to the information and explanations given to us, the Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, sub-section (5) of Section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Shah & Taparia**

Chartered Accountants

FRN NO:109463W

**Narottam Shah**

Partner

M NO.106355

Place : Mumbai

Date : 29 April 2022

**UDIN NO: 22106355AIDKPL9496**

## **Annexure – B” to the Independent Auditor’s Report**

*(referred to in paragraph 18(f) under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2022.)*

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

1. We have audited the internal financial controls over financial reporting of M/s. Systematix Corporate Services Limited (“the Company”) as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s and Board of Director’s Responsibility for Internal Financial Controls**

2. The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.
4. 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.
5. 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 of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. 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**

7. 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

8. In our opinion, to the best of our information and according to the explanations given to us, 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, 2022, 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 Shah & Taparia

Chartered Accountants

FRN NO:109463W

### Narottam Shah

Partner

M NO.106355

Place : Mumbai

Date : 29 April 2022

**UDIN NO: 22106355AIDKPL9496**

## Balance sheet as at 31 March 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>I. Financial assets</b>			
Cash and cash equivalents	3	287.97	43.00
Bank balances other than above	3	0.50	-
Receivables			
(i) Trade receivables	4	359.27	48.59
Loans	5	150.19	347.82
Investments	6	8,233.76	6,723.13
Other financial assets	7	45.29	503.65
		<b>9,076.98</b>	<b>7,666.19</b>
<b>III. Non-financial assets</b>			
Current tax assets (net)	8	33.15	89.52
Deferred tax assets (net)	9	28.68	26.53
Property, plant and equipment	10	22.37	25.99
Other non-financial assets	11	6.42	28.17
		<b>90.62</b>	<b>170.21</b>
<b>Total Assets</b>		<b>9,167.61</b>	<b>7,836.40</b>
<b>LIABILITIES AND EQUITY</b>			
<b>I. LIABILITIES</b>			
<b>Financial Liabilities</b>			
Payable	12		
(i) Trade payable			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of other than micro enterprises and small enterprises		111.66	49.71
Borrowings (other than debt securities)	13	1,433.70	1,558.55
Subordinated Liabilities	14	749.95	683.64
		<b>2,295.31</b>	<b>2,291.90</b>
<b>Non-financial Liabilities</b>			
Provisions	15	72.32	35.48
Other non-financial liabilities	16	62.94	19.67
		<b>135.26</b>	<b>55.15</b>
<b>II. EQUITY</b>			
Equity Share Capital	17	1,305.14	1,305.14
Other equity	18	5,431.89	4,184.21
		<b>6,737.04</b>	<b>5,489.35</b>
<b>Total Liabilities and Equity</b>		<b>9,167.61</b>	<b>7,836.40</b>

The above balance sheet should be read in conjunction with the accompanying notes.  
In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**      **Anil Bhagchandani**  
Company Secretary      Chief Financial Officer

## Statement of profit and loss for the Year ended 31 March 2022

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from Operations			
Interest income	19	43.63	68.50
Fees	20	2,947.06	846.26
<b>Total revenue from operation</b>		<b>2,990.69</b>	<b>914.76</b>
Other income	21	75.33	106.41
<b>Total income</b>		<b>3,066.02</b>	<b>1,021.17</b>
<b>Expenses</b>			
Finance costs	22	194.02	208.24
Net loss on fair value changes	23	-	0.75
Impairment on financial instruments	24	(2.19)	2.72
Share of loss from Joint Venture LLP(SVP)		9.15	2.34
Employee benefits expenses	25	646.37	419.48
Depreciation, amortization and impairment	26	3.63	26.45
Other expenses	27	655.94	261.65
<b>Total expenses</b>		<b>1,506.92</b>	<b>921.63</b>
<b>Profit/(loss) before tax</b>		<b>1,559.10</b>	<b>99.54</b>
Tax expenses	28		
Current tax		329.26	-
Deferred tax		(6.10)	(4.87)
<b>Total tax expenses</b>		<b>323.15</b>	<b>(4.87)</b>
<b>Profit/(Loss) after tax</b>		<b>1,235.95</b>	<b>104.41</b>
Other comprehensive income			
i. Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/asset		15.70	3.63
Tax on remeasurement of defined benefit -Actuarial gain or loss		(3.95)	(0.91)
		11.75	2.72
ii. Items that will be reclassified to profit or loss			
		-	-
<b>Other comprehensive income</b>		<b>11.75</b>	<b>2.72</b>
<b>Total comprehensive income for the year</b>		<b>1,247.70</b>	<b>107.12</b>
Earning per Equity Shares of ₹ 10 each (not annualised)			
- Basic and Diluted	29	9.52	0.80

The above statement of profit and loss should be read in conjunction with the accompanying notes.  
In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**      **Anil Bhagchandani**  
Company Secretary      Chief Financial Officer

## Cash flow statement for the year ended 31 March 2022

(₹ in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra ordinary items	1,559.10	99.54
Adjustments for : -		
1 Depreciation on Property, Plant and Equipment	3.63	26.45
2 Interest received	(35.92)	(66.15)
3 Interest expenses	126.93	144.66
4 Net Loss /(Gain) on fair value changes	-	0.75
5 Interest on subordinated liability	66.31	60.45
6 Interest on lease liability	-	1.93
7 Impairment on financial instruments	(2.19)	2.72
8 Corporate Guarantee Commission	(63.86)	(40.52)
9 Derecognition of Lease Asset	-	(1.03)
10 CGST and SGST Disallowances	5.45	2.08
<b>Operating profit before working capital changes</b>	<b>1,659.44</b>	<b>230.87</b>
Adjustments for : -		
1 Trade and Other Current Assets	171.62	(546.69)
2 Trade and other Payables	146.31	44.74
Less: Refund received/(income tax paid)	(272.89)	24.30
<b>Cash Generated from operation</b>	<b>1,704.48</b>	<b>(246.77)</b>
<b>Cash Flow Before extraordinary items</b>	<b>1,704.48</b>	<b>(246.77)</b>
<b>Net Cash from/ (Used ) in Operating activities</b>	<b>1,704.48</b>	<b>(246.77)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
1 Investment (net)	4,535.75	(5.60)
2 Proceeds From Investment	3,095.00	-
3 Loan Given	(30.00)	-
4 Loan Received Back	227.62	162.26
5 Interest Received	35.92	66.15
<b>Net Cash from/ (Used) in investing activities</b>	<b>7,864.30</b>	<b>222.81</b>
<b>C CASH FLOW FROM FINANCIANG ACTIVITIES</b>		
1 Repayment of Long and Short Term Borrowings	(124.85)	-
2 Proceeds from Long and Short Term Borrowings	-	195.89
3 Interest Paid	(126.93)	(144.66)
4 Lease payment	-	(8.75)
<b>Net Cash from financing activities</b>	<b>(251.78)</b>	<b>42.48</b>
<b>Net increase in Cash and Cash equivalentents (A+B+C)</b>	<b>9,316.98</b>	<b>18.53</b>
Cash and Cash equivalentents as (Opening Balance)	43.00	24.47
Cash and Cash equivalentents as (Closing Balance)	288.47	43.00

In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**      **Anil Bhagchandani**  
Company Secretary      Chief Financial Officer

**Statement of change in equity for the year ended 31 March 2022****(A) Share capital**

(₹ in Lakhs)

Particular	Equity share capital
<b>As at 01 April 2020</b>	<b>1,298.03</b>
Changes in equity share capital	-
<b>As at 31 March 2021</b>	<b>1,298.03</b>
Changes in equity share capital	-
<b>As at 31 March 2022</b>	<b>1,298.03</b>

**(B) Other equity****1. Reserve and Surplus**

(₹ in Lakhs)

Particular	Capital reserve	Securities premium	General reserve	Special reserve	Retained earnings	Total
<b>As at 01 April 2020</b>	228.64	1,865.02	44.47	-	1,938.95	<b>4,077.08</b>
Changes in equity during the year						
Profit/(loss) for the year	-	-	-	-	104.41	<b>104.41</b>
Remeasurement of the net defined benefit liability/ asset (net of tax effect)	-	-	-	-	2.72	<b>2.72</b>
<b>As at 31 March 2021</b>	<b>228.64</b>	<b>1,865.02</b>	<b>44.47</b>	<b>-</b>	<b>2,046.08</b>	<b>4,184.21</b>
<b>As at 31 March 2021</b>	<b>228.64</b>	<b>1,865.02</b>	<b>44.47</b>	<b>-</b>	<b>2,046.08</b>	<b>4,184.21</b>
Changes in equity during the year						
Profit/(loss) for the year	-	-	-	-	1,235.95	<b>1,235.95</b>
Remeasurement of the net defined benefit liability/ asset (net of tax effect)	-	-	-	-	11.75	<b>11.75</b>
<b>As at 31 March 2022</b>	<b>228.64</b>	<b>1,865.02</b>	<b>44.47</b>	<b>-</b>	<b>3,293.78</b>	<b>5,431.91</b>

The above statement of change in equity should be read in conjunction with the accompanying notes.

In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**      **Anil Bhagchandani**  
Company Secretary      Chief Financial Officer

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****1) Corporate information**

Systematix Corporate Services Limited ('the Company') is a Public Limited Company incorporated and domiciled in India and has its registered office in India at 206-207, Bansi Trade Centre 581/5 M.G Road, Indore - 452001. The Company has its primary listings on the BSE in India. The Company is registered as category I Merchant banker with Security Exchange Board of India (SEBI) and primarily engaged in Merchant Banking Activities.

These financial statements were authorised for issue by the board of directors on 29th April 2022.

**2) Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation and presentation****A) 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) read with Rule 3 of the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended.

**B) Basis of measurement**

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

1. Derivative financial instruments;
2. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
3. Share based payment transactions and
4. Defined benefit and other long-term employee benefits.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Rs (INR), the functional currency of the Company. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**C) Use of estimates and judgment**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and liabilities at the date of the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed under "**Summary of significant accounting policies**". Accounting estimates could change from period to period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****Summary of significant accounting policies**

- (i) Functional and presentation currency Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- (ii) Foreign currency transactions and balances are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.
- (iii) Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.
- (iv) Investment in subsidiaries: Investment in subsidiaries is measured at cost.

**(v) Current v/s Non-current classification**

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset /liability is current when it is:

- Expected to be realised/settled or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised / settled within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(vi) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

**Financial Assets:****Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit or Loss), and
- those measured at amortized cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investments at FVOCI.

**Initial recognition and measurement**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in the Statement of Profit or Loss.

**Subsequent measurement**

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through profit or loss), or
- amortized cost

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs. For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**(vii) Debt instruments at FVTOCI**

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset's contractual cash flow represent Solely Payments of Principal and Interest (SPPI)

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain / (loss) in statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

**(viii) Equity instruments at FVTOCI**

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****(ix) Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

- a) Non-derivative financial liabilities
  - (i) Financial liabilities at amortised cost: Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
  - (ii) Financial liabilities at FVTPL: Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.
- b) Derivative financial instruments: Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

**(x) Property, plant and equipment:**

- a) **Recognition and measurement:** All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

- b) **Depreciation method, estimated useful life and residual value:** The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on property plant and equipment has been provided on the straight line method allocated to its cost, net of residual value, over their estimated useful lives as follows:

Type of Asset	Estimated useful life
Computer (included in Plant & Equipment) End user services Servers and network	3 years
Vehicles	8 years
Office Equipments	5 years
Furniture and fixtures	10 years
Plant and equipments	15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. There was no change in the useful life of property, plant and equipment as compared to previous year. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the financial statements

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress (if any).

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

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

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

(xi) **Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

(xii) **Impairment of assets:**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company recognises life time expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

At each reporting date, the Company assesses whether the loans have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss.

The Company recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Company consider outstanding overdue for more than 90 days for calculation of expected credit loss with periodical percentage method. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Derecognition of Financial Assets**

A financial asset is derecognized only when:

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**Financial Liabilities:****Initial recognition and measurement**

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

**Subsequent Measurement**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

**Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

**(xiii) Trade receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**(xiv) Cash and Cash Equivalents:**

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

**(xv) Provisions, Contingent Liabilities and Contingent Assets:****a) Provision**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding 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). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**b) Contingent Liability**

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.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**c) Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

**(xvi) Employee benefits****i. Short term Obligation**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Post-Employment Obligation:

The company operates the following post-employment schemes.

- Defined benefit plan i.e. gratuity

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee.

The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Gratuity:**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Provident Fund:**

Eligible employees of the company receive benefits from employee's provident fund Organisation, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The remaining portion is contributed to the government-administered pension fund.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****(xvii) Revenue recognition**

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue from the following sources:

**i. Revenue from fees**

Revenue from fees includes income from Merchant banking, Investment banking, advisory fees, and syndication fees. It is recognised based on the stage of completion of assignments and terms of agreement with the client.

**ii. Research and advisory income**

Research and advisory income is accounted for on an accrual basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

**iii. Interest income**

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

**iv. Dividend income**

Dividend income is recognized in the Statement of profit and loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

**(xviii) Taxes on income**

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

The Income Tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

**Current tax**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

**Current tax assets and liabilities are offset only if, the Company:**

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if the Company:

- a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and Deferred tax for the year - OCI

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Minimum Alternate Tax**

Minimum Alternate Tax is in the nature of unused tax credit which can be carried forward and utilised when the company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognized to the extent that is probable that the unused tax credit can be utilised in the specified future period.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****(xix) Borrowing Cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(xx) Earnings per share****i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
  
- by the weighted average number of equity shares outstanding during the financial year.

**ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
  
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**(xxi) Foreign Currency Transactions:****a) Initial Recognition**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

**b) Measurement of Foreign Currency Items at the Balance Sheet Date**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively). Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****(xxii) Leases****As a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), cancellable leases with not more than minimum penalty and low value leases. For these short-term leases, cancellable leases with not more than minimum penalty and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses, if any and adjusted for any re-measurement of the lease liability.

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**As a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract

is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### **(xxiii) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance cost.

The fair value of the liability portion of an optionally convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **(xxiv) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **(xxv) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **(xxvi) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Director which makes strategic decisions.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

## 3 Cash and cash equivalents

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Cash On hand	0.34	0.07
Balances with banks		
- In current accounts	287.63	42.93
<b>Total</b>	<b>287.97</b>	<b>43.00</b>

## Bank balances other than above

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Bank Balance	0.50	-
<b>Total</b>	<b>0.50</b>	<b>-</b>

## 4 Trade receivables

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Receivable considered good - unsecured		
- from related parties	-	-
- from others	358.25	41.84
Receivable which have significant increase in credit risk	1.55	9.47
Receivable - credit impaired	28.60	28.60
Less: Impairment Allowance	(29.13)	(31.32)
<b>Total</b>	<b>359.27</b>	<b>48.59</b>

## Reconciliation of impairment allowance on trade receivable

(₹ in Lakhs)

Particular	Amount
Impairment allowance measured as per simplified approach	
<b>As at 1 April 2020</b>	<b>-</b>
Add: Addition during the year	<b>31.32</b>
Less: Reduction during the year	<b>-</b>
<b>As at 31 March 2021</b>	<b>31.32</b>
Add: Addition during the year	<b>-</b>
Less: Reduction during the year	<b>(2.19)</b>
<b>As at 31 March 2022</b>	<b>29.13</b>

(₹ in Lakhs)

Trade receivable past due	Current	0-90 days	91-180 days	181-360 days	1 to 2 years	More than 2 years
<b>ECL rate</b>		<b>Nil</b>	<b>20.00%</b>	<b>30.00%</b>	<b>50.00%</b>	<b>100.00%</b>
<b>As at 31 March 2021</b>						
Estimated total gross carrying amount at default		41.84	5.90	1.21	2.36	28.60
ECL - Simplified approach		-	1.18	0.36	1.18	28.60
<b>Net carrying amount</b>		<b>41.84</b>	<b>4.72</b>	<b>0.85</b>	<b>1.18</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Trade receivable past due	Current	0-90 days	91-180 days	181-360 days	1 to 2 years	More than 2 years
<b>ECL rate</b>		Nil	20.00%	30.00%	50.00%	100.00%
<b>As at 31 March 2022</b>						
Estimated total gross carrying amount at default		358.25	0.81		0.74	28.60
ECL - Simplified approach		-	0.16	-	0.37	28.60
<b>Net carrying amount</b>		<b>358.25</b>	<b>0.65</b>	<b>-</b>	<b>0.37</b>	<b>-</b>

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	358.25	-	-	-	-	<b>358.25</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	0.81	-	0.74	-	-	<b>1.55</b>
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	28.60	<b>28.60</b>

## 5 Loans

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>At amortised cost</b>		
(i) Loan Repayable on demand	150.19	347.82
<b>Total gross</b>	<b>150.19</b>	<b>347.82</b>
Less: Impairment loss allowance	-	-
<b>Total net</b>	<b>150.19</b>	<b>347.82</b>
<b>Security details</b>		
(i) Unsecured	150.19	347.82
<b>Total gross</b>	<b>150.19</b>	<b>347.82</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Less: Impairment loss allowance	-	-
<b>Total net</b>	<b>150.19</b>	<b>347.82</b>
<b>Geographical details</b>		
(i) Loans in India		
(a) Public sector	-	-
(b) Others		
- Corporates	150.19	347.82
<b>Total gross</b>	<b>150.19</b>	<b>347.82</b>
Less: Impairment loss allowance	-	-
<b>Total net</b>	<b>150.19</b>	<b>347.82</b>

## A i) Details of loans and advances in the nature of loans to subsidiaries, associates, firms/ companies in which directors are interested:

(₹ in Lakhs)

Name of the Company and relationship	As at 31 March 2022	As at 31 March 2021
<b>Subsidiaries</b>		
Systematix Finvest Private Limited	120.19	347.82
Urban Affordable Housing LLP	30.00	-
<b>Total gross</b>	<b>150.19</b>	<b>347.82</b>
Less: Impairment loss allowance	-	-
<b>Total net</b>	<b>150.19</b>	<b>347.82</b>

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	150.19	100%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

## 6 Investment

(₹ in Lakhs)

Particular	As at 31 March 2022			As at 31 March 2021	
	Face Value	Holding Nos.	Amount	Holding Nos.	Amount
<b>A) INVESTMENTS</b>					
Equity instruments (Fair Value through profit and loss) (Industrial Investment Trust Ltd)		-	-	1,00,000	59.25
<b>Investment in Subsidiaries (AT COST)</b>					
Systematix Fincorp India Limited	10	16,75,845	1,427.58	16,75,845	1,427.58
Systematix Finvest Private Limited	100	1,87,820	1,100.99	1,87,820	1,100.99
Systematix Shares and Stocks (India) Limited	10	49,13,900	5,153.92	41,63,900	3,584.04
Systematix Commodities Services Private Limited	100	80,000	312.13	80,000	312.13
Systematix Ventures Private Limited	10	3,00,000	33.54	3,00,000	33.54
Divisha Alternative Investments LLP		-	5.60	-	5.60
Debentures, Unquoted (at amortised cost) 10% Debenture of Skittish Realtors Private Limited		2,00,000	200.00	2,00,000	200.00
<b>Total (A)</b>		<b>73,57,165</b>	<b>8,233.76</b>	<b>67,07,165</b>	<b>6,723.13</b>
(i) Investments outside India		-	-	-	-
(ii) Investments in India		73,57,165	8,233.76	67,07,165	6,723.13
<b>Total (B)</b>		<b>73,57,165</b>	<b>8,233.76</b>	<b>67,07,165</b>	<b>6,723.13</b>
Less:					
Allowance for impairment Loss (C)		-	-	-	-
<b>Total net (A-C)</b>		<b>73,57,165</b>	<b>8,233.76</b>	<b>67,07,165</b>	<b>6,723.13</b>

Impairment loss allowance in the value of Investments till date in shares in respect of the above companies is as follows:-

## Aggregate value of Investments

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Aggregate market value of quoted investments	-	59.25
Aggregate book value of unquoted investments	8,233.76	6,663.88
<b>Total</b>	<b>8,233.76</b>	<b>6,723.13</b>

## 7 Other financial assets

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Accrued Income	1.11	-
Security deposits	3.38	503.38
Others	40.79	0.27
<b>Total</b>	<b>45.29</b>	<b>503.65</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

## 8 Current tax assets (net)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Advance Income Tax (Net of provision)	33.15	89.52
<b>Total</b>	<b>33.15</b>	<b>89.52</b>

## 9 Deferred tax assets

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Deferred tax liability on account of :		
- Depreciation and amortization due to timing difference	-	-
- Additional contribution to gratuity plan assets	-	-
<b>Total Deferred tax liability</b>	-	-
Deferred tax assets on account of :		
- Depreciation and amortization due to timing difference	11.55	12.64
- Additional contribution to gratuity plan assets	9.79	2.04
- Expected credit loss	7.33	7.88
- Unrealised loss on investments measured at FVPL	-	3.96
<b>Total Deferred tax assets</b>	<b>28.68</b>	<b>26.53</b>
<b>Net Deferred tax assets (A)</b>	<b>28.68</b>	<b>26.53</b>
MAT Credit entitlement (B)	-	-
<b>Total (a+b)</b>	<b>28.68</b>	<b>26.53</b>

## Movement in deferred tax balances

(₹ in Lakhs)

Particular	As at 31 March 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at 31 March 2022
Deferred tax liability on account of :				
- Depreciation and amortization due to timing difference	-	-	-	-
- Additional contribution to gratuity plan assets	-	-	-	-
<b>Total Deferred tax liability</b>	-	-	-	-
Deferred tax assets on account of :				
- Depreciation and amortization due to timing difference	12.64	1.09	-	11.55
- Additional contribution to gratuity plan assets	2.04	(11.71)	3.95	9.79
- Expected credit loss	7.88	0.55	-	7.33
- Unrealised loss on investments measured at FVPL	3.96	3.96	-	-
<b>Total Deferred tax assets</b>	<b>26.53</b>	<b>(6.10)</b>	<b>3.95</b>	<b>28.68</b>
<b>Deferred tax assets (net)</b>	<b>26.53</b>	<b>(6.10)</b>	<b>3.95</b>	<b>28.68</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

## Movement in deferred tax balances

(₹ in Lakhs)

Particular	As at 1 April 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at 31 March 2021
Deferred tax liability on account of :				
- Depreciation and amortization due to timing difference	-	-	-	-
- Additional contribution to gratuity plan assets	-	-	-	-
<b>Total Deferred tax liability</b>	-	-	-	-
Deferred tax assets on account of :				
- Depreciation and amortization due to timing difference	8.56	(4.08)	-	12.64
- Additional contribution to gratuity plan assets	1.54	(0.03)	0.47	2.04
- Right to use assets	1.74	1.74	-	-
- Expected credit loss	-	(7.88)	-	7.88
- Unrealised loss on investments measured at FVPL	-	(3.96)	-	3.96
<b>Total Deferred tax assets</b>	<b>11.84</b>	<b>(14.21)</b>	<b>0.47</b>	<b>26.53</b>
<b>Deferred tax assets (net)</b>	<b>11.84</b>	<b>(14.21)</b>	<b>0.47</b>	<b>26.53</b>

## 10 Property, plant and equipment

(₹ in Lakhs)

Particular	Right to use asset - Lease building	Plant and equipments	Furniture and fixtures	Office Equipment	Vehicles	Total
<b>Gross carrying amount</b>						
<b>As at 31 March 2021</b>	-	42.33	225.85	40.07	7.25	315.51
Additions	-	-	-	-	-	-
Deductions and adjustments	-	-	-	-	-	-
<b>As at 31 March 2022</b>	-	<b>42.33</b>	<b>225.85</b>	<b>40.07</b>	<b>7.25</b>	<b>315.51</b>
<b>Accumulated depreciation and impairment</b>						
<b>As at 31 March 2021</b>	-	41.46	201.77	39.39	6.89	289.50
Depreciation charged during the year	-	-	3.61	0.02	-	3.63
Disposals	-	-	-	-	-	-
<b>As at 31 March 2022</b>	-	<b>41.46</b>	<b>205.38</b>	<b>39.41</b>	<b>6.89</b>	<b>293.13</b>
<b>Net carrying amount as on 31 March 2022</b>	-	<b>0.87</b>	<b>20.48</b>	<b>0.65</b>	<b>0.36</b>	<b>22.37</b>
<b>Gross carrying amount</b>						
<b>AS at 1 April 2020</b>	38.91	42.33	225.85	40.07	7.25	354.41
Additions	-	-	-	-	-	-
Deductions and adjustments	(38.91)	-	-	-	-	(38.91)
<b>As at 31 March 2021</b>	-	<b>42.33</b>	<b>225.85</b>	<b>40.07</b>	<b>7.25</b>	<b>315.50</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particular	Right to use asset - Lease building	Plant and equipments	Furniture and fixtures	Office Equipment	Vehicles	Total
<b>Accumulated depreciation and impairment</b>						
AS at 1 April 2020	2.16	41.46	184.49	37.79	6.89	272.78
Depreciation charged during the year	7.57	-	17.28	1.60	-	26.45
Disposals	(9.73)	-	-	-	-	(9.73)
<b>As at 31 March 2021</b>	<b>-</b>	<b>41.46</b>	<b>201.77</b>	<b>39.39</b>	<b>6.89</b>	<b>289.50</b>
<b>Net carrying amount as on 31 March 2021</b>	<b>-</b>	<b>0.87</b>	<b>24.08</b>	<b>0.68</b>	<b>0.36</b>	<b>25.99</b>

Refer note 37 for disclosure pertaining to assets taken on lease

## 11 Other non-financial assets

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Prepaid/Advance for expenses	6.42	21.05
Balance with government authorities	-	7.13
<b>Total</b>	<b>6.42</b>	<b>28.17</b>

## 12 Payable

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
(i) Trade payable		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of other than micro enterprises and small enterprises	111.66	49.71
	111.66	49.71
<b>Total</b>	<b>111.66</b>	<b>49.71</b>

## a) Disclosures requirement under section 22 of the Micro, Small &amp; Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
i) Principal amount and interest due thereon remaining unpaid to each supplier at the end of each accounting year	-	-
ii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv) Interest accrued and remaining unpaid at the end of each accounting year	-	-
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

## b) Ageing schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	109.84	1.77	-	0.05	111.66
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## 13 Borrowings (other than debt securities)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
(i) At amortised cost		
Term loans - secured		
Loan from Yes Bank (refer note 33 and 34)	1,433.70	1,558.55
<b>Total</b>	<b>1,433.70</b>	<b>1,558.55</b>
Borrowings in India	1,433.70	1,558.55
<b>Total</b>	<b>1,433.70</b>	<b>1,558.55</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

## Details of borrowings

(₹ in Lakhs)

Particulars	Maturity Date	Terms of repayment	Coupon Rate	As at 31 March 2022	As at 31 March 2021
<b>Term loans - secured</b>					
Loan from Yes Bank	September 2020 to August 2024	36 monthly instalments starting from September 2021	Floating interest rate @8.55% linked with Marginal Cost of Funds Lending Rate	206.67	250.18
Loan from Yes Bank	January 2020 to January 2030	121 monthly instalments starting from January 2020	Floating interest rate @8.82% linked with 6 months Certificate of Deposit rate published by FBIL	199.54	223.12
Loan from Yes Bank	April 2018 to February 2034	191 monthly instalments starting from April 2018	Floating interest rate @9.37% linked with Marginal Cost of Funds Lending Rate	1,029.78	1,088.07

## Notes:

- Terms loan taken from Yes Bank are secured against the residential house property owned by Goldflag Exports Private Limited which is a Group Company

## 14 Subordinated liabilities

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>At Amortised cost</b>		
Preference Share 2,50,00,000 Non Convertible Redeemable Preference Shares is Rs. 10/- each (refer note 36)	749.95	683.64
<b>Total</b>	<b>749.95</b>	<b>683.64</b>
Subordinate Liabilities in India	749.95	683.64
<b>Total</b>	<b>749.95</b>	<b>683.64</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****Details of subordinated liabilities**

(₹ in Lakhs)

Particulars	Maturity Date	Terms of repayment	Coupon Rate	As at 31 March 2022	As at 31 March 2021
Preference Share 2,50,00,000 Non Convertible Redeemable Preference Shares if Rs. 10/- each	30 March 2035	Redeemable at par out of the profit available for distribution as dividend or out of the proceeds of a fresh issue for redemption.	Nil rates coupon, non cumulative	749.95	683.64

**Notes:**

- 1) 2,50,00,000 Non convertible Redeemable Preference Shares were issued for consideration other than cash.

**15 Provisions**

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
- Gratuity	38.91	8.08
Guarantee liabilities	33.41	27.40
<b>Total</b>	<b>72.32</b>	<b>35.48</b>

**Information about provision and significant estimates****Movement in provisions for Guarantee liabilities**

(₹ in Lakhs)

<b>Balance as on 1 April 2020</b>	<b>20.30</b>
Addition of provision on account of new corporate guarantee issued	<b>47.62</b>
Recognition of guarantee commission	<b>40.52</b>
<b>Provision as on 31 March 2021</b>	<b>27.40</b>
Addition of provision on account of new corporate guarantee issued	<b>69.88</b>
Recognition of guarantee commission	<b>(63.86)</b>
<b>Provision as on 31 March 2022</b>	<b>33.41</b>

**Employee Benefit Obligation**

## Defined contribution plans

During the year the Company has not made any defined contribution plans and is not required to do so by any applicable laws.

**Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company's gratuity liability is funded.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

The company has carried out the actuarial valuation of Gratuity liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at 31 March 2020</b>	<b>26.75</b>	<b>16.60</b>	<b>10.15</b>
Current service cost	5.48	-	5.48
Past service cost	-	-	-
Interest expense/(income)	1.42	0.82	0.60
Total amount recognised in profit and loss	<b>6.90</b>	<b>0.82</b>	<b>6.08</b>
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	0.16	(0.16)
(Gain)/loss from change in demographic assumptions	(0.02)	-	(0.02)
(Gain)/loss from change in financial assumptions	0.18	-	0.18
Experience (gains)/losses	(3.64)	-	(3.64)
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	<b>(3.47)</b>	<b>0.16</b>	<b>(3.63)</b>
Employer contributions	-	4.52	(4.52)
Benefit payments	<b>0.66</b>	<b>0.66</b>	-
<b>As at 31 March 2021</b>	<b>29.52</b>	<b>21.44</b>	<b>8.08</b>

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at 31 March 2021</b>	<b>29.52</b>	<b>21.44</b>	<b>8.08</b>
Current service cost	5.60	-	5.60
Past service cost	-	-	-
Interest expense/(income)	1.63	1.22	0.41
Total amount recognised in profit and loss	<b>7.23</b>	<b>1.22</b>	<b>6.01</b>
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(0.07)	0.07
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(1.18)	-	(1.18)
Experience (gains)/losses	(14.60)	-	(14.60)
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	<b>(15.78)</b>	<b>(0.07)</b>	<b>(15.70)</b>
Employer contributions	-	-	-
Acquisition/Business Combination/Divestiture	40.52	-	40.52
Benefit payments	-	-	-
<b>As at 31 March 2022</b>	<b>61.49</b>	<b>22.58</b>	<b>38.91</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Present value of funded obligations	61.49	29.52
Fair value of plan assets	22.58	21.44
Deficit of funded plan	38.91	8.08

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

**Gratuity**

Particular	As at 31 March 2022	As at 31 March 2021
Discount rate	6.80%	6.45%
Salary escalation rate	10.00%	10.00%
Attrition rate		
Up to 45 years	15.00%	15.00%
Above 45 years	5.00%	5.00%
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Lakhs)

Particulars	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Discount rate	+/- 1%	+/- 1%	(3.14)	(1.72)	3.48	1.95
Salary escalation rate	+/- 1%	+/- 1%	1.68	0.73	(1.78)	(0.79)

**Risk Exposure**

These plans typically expose the Company to actuarial risks such as: Longevity risk and salary risk.

**Maturity Analysis**

(₹ in Lakhs)

Particulars	Less than a year	Between 2-5 yrs	Between 6-10 yrs	Over 10 yrs	Total
<b>As at 31 March 2022</b>					
Defined Benefit Obligation	3.36	35.01	23.11	0.00	61.49
<b>Total</b>	<b>3.36</b>	<b>35.01</b>	<b>23.11</b>	<b>0.00</b>	<b>61.49</b>
<b>As at 31 March 2021</b>					
Defined Benefit Obligation	8.44	8.69	9.28	3.11	29.52
<b>Total</b>	<b>8.44</b>	<b>8.69</b>	<b>9.28</b>	<b>3.11</b>	<b>29.52</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

## 16 Other non-financial liabilities

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Others	1.49	2.34
Other payables:		
- Statutory remittances (Contributions to PF, Service Tax, GST etc.)	61.45	17.33
<b>Total</b>	<b>62.94</b>	<b>19.67</b>

## 17 Equity Share Capital

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
(i) Authorized Share Capital 2,00,00,000 Equity Shares (Previous Year 2,00,00,000) of Rs. 10/- each	2,000.00	2,000.00
(ii) Issued 1,31,22,558 Equity shares of Rs. 10/- each	1,312.26	1,312.26
(iii) Subscribed and fully paid 1,29,80,258 Equity Shares (Previous Year 1 29 80 258) of Rs. 10/- each	1,298.03	1,298.03
(iv) Share forfeited 1,42,300 Equity shares @ Rs.5/- (Previous Year: 1,42,300 Equity Shares)	7.12	7.12

## Disclosures:

- a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(₹ in Lakhs)

Equity Shares	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	1,29,80,258	1,298.03	1,29,80,258	1,298.03
Fresh Issue	-	-	-	-
Buy Back	-	-	-	-
<b>Closing Balance</b>	<b>1,29,80,258</b>	<b>1,298.03</b>	<b>1,29,80,258</b>	<b>1,298.03</b>

- b) Rights, preferences and restrictions attached to equity shares

The Equity shares of the Company having par value of Rs 10 - /per share rank paripassu in all respects ,including voting rights, dividend entitlement and repayment of capital.

- c) Equity Shares held by each shareholder holding more than 5% equity shares in the Company are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Superstar Exports Pvt. Ltd.	88,62,276	68.28	88,58,862	68.25
Shashikant Jain	11,01,360	8.48	10,76,360	8.29

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****d) Objectives, policies and processes for managing capital.**

The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business. For the purpose of the Company's capital management, capital includes issued capital and other equity reserves.

**e) Promoters Shareholding**

		Shares held by promoters at the end of the year				
		As at 31 March 2022		As at 31 March 2021		As at 31 March 2022
S. No.	Promoter Name	No of Shares	% of Total Shares	No of Shares	% of Total Shares	% Change (Dec) / Inc
1	Chandra Prakash Khandelwal	2,75,673	2.12%	2,74,721	2.12%	0.00%
2	Radhey Shyam Khandelwal	-	0.00%	3,22,437	2.48%	-2.48%
3	Nikhil Khandelwal	4,17,536	3.22%	95,099	0.73%	2.49%
4	Anju Khandelwal	50,803	0.39%	50,803	0.39%	0.00%
5	Chandra Prakash Khandelwal HUF	6,496	0.05%	6,496	0.05%	0.00%
6	Superstar Exports Private Limited	88,62,276	68.28%	88,58,862	68.25%	0.03%
<b>Total</b>		<b>96,12,784</b>	<b>74.06%</b>	<b>96,08,418</b>	<b>74.02%</b>	

**18 Other equity**

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>(i) Reserve &amp; Surplus*</b>		
Capital Reserve	228.64	228.64
Securities Premium	1,865.02	1,865.02
General Reserve	44.47	44.47
Retained Earnings	3,293.78	2,046.08
<b>Total</b>	<b>5,431.90</b>	<b>4,184.21</b>

\*Refer SOCIE for the movement in each of the items

**Nature and purpose of each reserve****Capital Reserve** Capital reserve is created out of Share Warrant forfeited in FY 2008-09**Securities Premium** Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.**General Reserve** General Reserve is created out of Profit and Loss account Surplus Balance generated every year**Retained earnings** The balance in retained earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

## 19 Interest income

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
(a) On financial assets measured at fair value through OCI	-	-
(b) On financial assets measured at amortised cost		
Interest on loans (refer note 36)	35.92	66.15
Interest on deposits with banks	1.45	-
Interest on Income tax refund	6.25	2.35
<b>Total</b>	<b>43.63</b>	<b>68.50</b>

## 20 Fees

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Financial advisory services	2,947.06	846.26
<b>Total</b>	<b>2,947.06</b>	<b>846.26</b>

There are no unsatisfied long term contracts.

## 21 Other income

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Profit on MF and Investment	10.81	-
Miscellaneous income	0.06	62.63
Dividend Income	-	0.00
Guarantee Commission Income	63.86	40.52
Exchange Gain and (Loss)	0.60	2.23
Other Income	-	1.03
<b>Total</b>	<b>75.33</b>	<b>106.41</b>

## 22 Finance costs

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Interest on borrowings	126.93	144.66
Interest on lease liability	-	1.93
Interest on Statutory Payments	0.24	0.63
Interest on Subordinated Liability	66.31	60.45
Other Borrowing Cost	0.54	0.57
<b>Total</b>	<b>194.02</b>	<b>208.24</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

## 23 Net loss on fair value changes

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
(i) Net loss on financial instruments at fair value through Profit and Loss		
(a) On trading portfolio		
- Investments	-	0.75
<b>Total</b>	<b>-</b>	<b>0.75</b>

## 24 Impairment on financial instruments

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
	On financial instruments measured at amortized cost	
Expected credit loss		
Trade receivables	(2.19)	2.72
<b>Total</b>	<b>(2.19)</b>	<b>2.72</b>

## 25 Employee Benefit Expenses

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Salaries, bonus and allowances	627.34	408.36
Provision for Gratuity	6.01	6.08
Staff welfare expenses	13.02	5.04
<b>Total</b>	<b>646.37</b>	<b>419.48</b>

## 26 Depreciation, amortisation and impairment

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Depreciation & amortisation on property, plant and equipment	3.63	18.88
on right to use assets	-	7.57
<b>Total</b>	<b>3.63</b>	<b>26.45</b>

## 27 Other expenses

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Rent, taxes and energy costs (refer note 36)	259.67	126.36
Repair and maintenance (refer note given below)	13.98	7.34
Advertisement and publicity	1.52	1.35
Director's fee, allowances and expenses* (refer note 36)	6.20	5.95
Auditor's fees (refer note given below)	1.50	1.50

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Legal and professional charges (refer note 36)	316.48	96.06
Travelling and conveyance	14.63	3.54
Business promotion	3.62	2.56
CGST and SGST Disallowances	5.45	2.08
Bad Debts	5.04	-
Commission and Brokreaage	-	3.50
Housekeeping Expenses	12.09	-
Miscellaneous expenditure	15.76	11.41
<b>Total</b>	<b>655.94</b>	<b>261.65</b>

\* Includes Reverse Charges

## Details of Auditor's fees and expenses

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
- for Audit Fees	1.50	1.50
<b>Total</b>	<b>1.50</b>	<b>1.50</b>

## Repair and Maintenance

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Repairs to Building	7.85	4.10
Other Repairs and Maintenance	1.97	1.04
<b>Total</b>	<b>9.83</b>	<b>5.13</b>

## 28 Tax expense

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Current tax		
- Current tax	330.65	-
- Earlier year	(1.39)	-
	<b>329.26</b>	-
Deferred tax	(6.10)	(4.87)
<b>Total</b>	<b>323.15</b>	<b>(4.87)</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****Reconciliation of current rate of tax and effective rate of tax:**

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Profit/(loss) before income tax	1,559.10	99.54
Enacted tax rates in India (%)	25.17%	25.17%
Computed expected tax expenses	392.43	25.05
Change in opening deferred tax assets due to change in rate from 26% to 25.17%	-	0.72
Reversal of excess provision of earlier years	(1.39)	-
Permanent difference on which deferred tax assets/liability not created	0.62	5.02
Brought forward loss of previous year adjusted against current year loss and on which no deferred tax assets was created	(391.65)	(33.41)
Others	323.15	(2.26)
<b>Income Tax expenses - Net</b>	<b>323.15</b>	<b>(4.87)</b>

**Reconciliation of current rate of tax and effective rate of tax:**

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
Unused tax losses and unabsorbed depreciation for which no deferred tax asset has been created	(1,313.75)	242.26
Potential tax benefit @25.17% (P.Y. 26%)	330.65	(60.98)

**29 Earnings per share**

(₹ in Lakhs)

Particular	As at 31 March 2022	Year ended 31 March 2021
(i) Basic earnings per share		
Profit attributable to the equity holders of the Company	1,235.94	104.41
Total basic earnings per share attributable to the equity holders of the Company	9.52	0.80
(ii) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	1,29,80,258	1,29,80,258

**30 Contingent liabilities and commitment**

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
(i) <b>Contingent liabilities:</b>		
Income Tax Demand Contested in Appeals-Asst year 2017-18 Appeal filed before Commissioner of Income Tax Appeals	19.03	19.03
On account of guarantees given to Banks on behalf of Group Companies	9,400.00	9,630.00

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****31 Assets pledged as security**

The Company has taken a term loan from yes bank against which residential property owned by Goldflag Exports Private Limited is given as a security.

**32 Net debt reconciliation :**

This section sets out an analysis of net debt and the movements in net debts for the year ended 31 March 2022

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>Borrowings</b>		
Secured loan	1433.70	1558.55
Preference shares	749.95	683.64
Lease liability	-	-
<b>Total net debt</b>	<b>2,183.65</b>	<b>2,242.19</b>

(₹ in Lakhs)

Particular	Lease liability	Preference shares	Secured loan	Total
<b>Net debt as on 31 March 2020</b>	<b>(37.03)</b>	<b>(623.19)</b>	<b>(1,362.65)</b>	<b>(2,022.87)</b>
Notional interest cost using EIR method	-	(60.45)	-	(60.45)
Additional loan received	-	-	(250.19)	(250.19)
Interest cost using EIR method	(1.93)	-	(144.66)	(146.59)
Disposal of Lease Asset	30.21	-	-	30.21
Amortization of upfront fees	-	-	(0.57)	(0.57)
Repayment	8.75	-	199.52	208.27
<b>Net debt as on 31 March 2021</b>	<b>(0.00)</b>	<b>(683.64)</b>	<b>(1,558.55)</b>	<b>(2,242.19)</b>
Notional interest cost using EIR method	-	(66.31)	-	(66.31)
Interest cost using EIR method	-	-	(126.93)	(126.93)
Amortization of upfront fees	-	-	(0.54)	(0.54)
Repayment	-	-	252.31	252.31
<b>Net debt as on 31 March 2022</b>	<b>-</b>	<b>(749.95)</b>	<b>(1,433.70)</b>	<b>(2,183.66)</b>

**33 Segment revenue****Description**

The company's chief operating decision maker is the Managing Director (MD) who examines the company's performance both from a services and geographic perspective and has identified single reportable segment of its business. The company is engaged in Merchant Banking services which falls within a single business segment. The segment revenue is measured in the same way as in the statement of profit or loss.

The Company has a single operating segment that is "Merchant Banking". Accordingly, the segment revenue, segment results, segment assets and segment liabilities is reflected in the financial statements as of and for the financial year ended 31 March 2022.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****Information about primary business segment:**

The Company's business segment is "Merchant Banking" and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the period, is as reflected in the Financial Statements as of and for the financial year ended 31 March, 2022.

**Information about geographical areas:**

The Company caters to the needs of the domestic market and hence there are no reportable geographical segments for the financial year ended 31 March, 2022.

**34 Related party transactions****(i) Details of related parties**

<b>Description of relationship</b>	<b>Names of related party</b>
<b>Holding company</b>	Superstar Exports Private Limited
<b>Wholly owned subsidiaries</b>	Systematix Fincorp India Limited Systematix Finvest Private Limited Systematix Shares and Stocks (India) Limited Systematix Commodities Services Private Limited Systematix Ventures Private Limited
<b>Presumption of significance influence</b>	Ceepeek Real Estate Private Limited First Lady Housing Private Limited Funsign Real Estate Private Limited Goldflag Exports Private Limited Goldlife Trading Company Private Limited Magicline Trading Company Private Limited Nikunj Mercantile Private Limited Perspire Builders and Developers Private Limited Rangsharda Properties Private Limited Riteplaza Trading Company Private Limited Shiv Shakti Real Estate Private Limited Shubham Mangalam Real Estate Private Limited Snehvardhini Properties Private Limited Swaraj Appartments P Ltd Systematix Assets Management Company Private Limited Systematix Capital Services Private Limited Systematix Distributions Services Private Limited Tekpoint Properties Private Limited Thirdwave Mercantile Company Private Limited Topcity Trading Company Private Limited Urban Affordable Housing LLP Wonderdream Realtors Private Limited Divisha Alternate Investments Manager LLP Divisha Alternate Investments LLP Divisha developers LLP Divisha Lifestyle LLP



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Description of relationship	Names of related party
Key managerial personnel	Divisha Real Estate Advisors LLP
	Divisha Realty LLP
	NHI Developers LLP
	C.P. Khandelwal
	Nikhil Khandelwal
	Anil Bhagchandani
Shweta Sharma	
Spruha Deshpande	

## (ii) Compensation (remuneration to KMP)

(₹ in Lakhs)

For the year ended 31 March 2022		Short-term employee benefits	Post- employment benefits	Long-term employee benefits	Total
C.P. Khandelwal	Director	51.00	-	-	51.00
Nikhil Khandelwal	Director	20.00	-	-	20.00
Anil Bhagchandani	CFO	20.00	-	-	20.00
Shweta Sharma	CS	1.13	-	-	1.13
Spruha Deshpande	CS	5.06	-	-	5.06

## (iii) Transactions with related parties

(₹ in Lakhs)

Nature of Transaction	Name	As at 31 March 2022	Year ended 31 March 2021
Rent	Wonderdream Realtors Private Limited	-	8.75
	Thirdwave Mercantile Company Private Limited	11.00	-
	Swaraj Appartments P Ltd	1.65	-
	Goldflag Exports Private Limited	7.70	-
Director Sitting Fees	Anju Khandelwal	1.25	1.20
	Shriram Surajmal Khandelwal	2.30	1.55
	Sanjay Khandelwal	1.15	1.45
	Rakesh Mehta	1.50	1.75
Reimbursement for MCA Renewal Fees	Shriram Surajmal Khandelwal	-	0.18
	Sanjay Khandelwal	-	0.18
	Rakesh Mehta	-	0.18
Reimbursement For Electricity	Thirdwave Mercantile Company Private Limited	1.20	-
Professional fees	S. S. Khandelwal and Co	1.25	0.50
Loan given	Systematix Finvest Private Limited	1,043.90	251.26
Loan received back	Systematix Finvest Private Limited	1,285.85	456.06
Interest charged on loan	Systematix Finvest Private Limited	14.33	42.54
Investment in Joint Venture	Urban Affordable Housing LLP	30.00	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Nature of Transaction	Name	As at 31 March 2022	Year ended 31 March 2021
Corporate Guarantee Commission	Systematix Shares and Stocks (India) Limited	65.07	40.46
Corporate Guarantee Commission	Systematix Commodities Services Private Limited	-	0.06
Loan Taken	Systematix Fincorp India Limited	-	46.50
Loan Repaid	Systematix Fincorp India Limited	-	46.50
Amount paid on their behalf	Systematix Shares and Stocks (India) Limited	-	0.93
Gratuity Receivable	Systematix Fincorp India Limited	37.18	-
	Systematix Finvest Private Limited	3.34	-

## (iv) Outstanding balances

(₹ in Lakhs)

Nature of transactions		As at 31 March 2022	As at 31 March 2021
Loan Given	Systematix Finvest Private Limited	120.19	344.74
Investment in Joint Venture	Urban Affordable Housing LLP	30.00	-
Interest receivable	Systematix Finvest Private Limited	0.69	3.08
Outstanding Preference Shares	Superstar Exports Private Limited	2,500.00	2,500.00
Outstanding Equity Shares	Superstar Exports Private Limited	886.23	885.89
Investment in Equity Shares(Corporate Guarantee)	Systematix Shares and Stocks (India) Limited	227.96	158.09
Investment in Equity Shares(Corporate Guarantee)	Systematix Commodities Services Private Limited	8.26	8.26
Investment in Equity Shares	Systematix Finvest Private Limited	1,100.99	1,100.99
	Systematix Commodities Services Private Limited	312.13	303.87
	Systematix Fincorp India Limited	1,427.58	1,427.58
	Systematix Shares and Stocks (India) Limited	5,153.92	3,425.95
	Divisha Alternative Investment LLP	5.60	5.60
	Systematix Ventures Private Limited	33.54	33.54

## (v) Terms and conditions:

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****35 Leases**

The Company had taken a Building on operating lease for using as office space till previous year.

**(a) Amount recognised in balance sheet**

The balance sheet shows the following amounts relating to leases:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Right to use assets</b>		
Building	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**(b) Amount recognised in the statement of profit and loss**

Right to use assets

(₹ in Lakhs)

Particulars	As at 31 March 2022	Year ended 31 March 2021
Amortization charge- Building	-	7.57
Interest expenses	-	1.93
Expenses relating to short-term leases (Included in other expenses) (Refer note 29)	237.35	116.25
<b>Total</b>	<b>237.35</b>	<b>125.75</b>

**(c) Maturity analysis of lease liabilities**

(₹ in Lakhs)

Particulars	Carrying amount	Less than 12 months	1-5 years	More than 5 years
Lease liabilities	-	-	-	-

**36 Financial instruments****(i) Financial instruments by category**

The carrying value and fair value of financial instruments by categories as on 31 March 2022 is as follows:

(₹ in Lakhs)

Particulars	Carrying value		Fair value			
	Amortised cost	FVTPL	Level - 1	Level - 2	Level - 3	Total
<b>I. Financial assets</b>						
Cash and cash equivalents	287.97	-	-	-	287.97	<b>287.97</b>
Bank balances other than above	0.50	-	-	-	0.50	<b>0.50</b>
Receivables						

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particulars	Carrying value		Fair value			
	Amortised cost	FVTPL	Level - 1	Level - 2	Level - 3	Total
(i) Trade receivables	359.27	-	-	-	359.27	<b>359.27</b>
(ii) Other receivables	-	-	-	-	-	-
Loans	150.19	-	-	-	150.19	<b>150.19</b>
Investments	-	-	-	-	-	-
Other financial assets	45.29	-	-	-	45.29	<b>45.29</b>
<b>Total financial assets</b>	<b>843.22</b>	-	-	-	<b>843.22</b>	<b>843.22</b>
<b>Financial Liabilities</b>						
Payable						
(i) Trade payable						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of other than micro enterprises and small enterprises	111.66	-	-	-	111.66	<b>111.66</b>
(ii) Other payable						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of other than micro enterprises and small enterprises	-	-	-	-	-	-
Borrowings (other than debt securities)	1,433.70	-	-	-	1,433.70	<b>1,433.70</b>
Subordinated Liabilities	749.95	-	-	-	749.95	<b>749.95</b>
Other financial liabilities	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>2,295.31</b>	-	-	-	<b>2,295.31</b>	<b>2,295.31</b>

The carrying value and fair value of financial instruments by categories as on 31 March 2021 is as follows:

(₹ in Lakhs)

Particulars	Carrying value		Fair value			
	Amortised cost	FVTPL	Level - 1	Level - 2	Level - 3	Total
<b>I. Financial assets</b>						
Cash and cash equivalents	43.00	-	-	-	43.00	<b>43.00</b>
Bank balances other than above	-	-	-	-	-	-
Receivables						
(i) Trade receivables	48.59	-	-	-	48.59	<b>48.59</b>
(ii) Other receivables	-	-	-	-	-	-
Loans	347.82	-	-	-	347.82	<b>347.82</b>
Investments	-	59.25	59.25	-	-	<b>59.25</b>
Other financial assets	503.65	-	-	-	503.65	<b>503.65</b>
<b>Total financial assets</b>	<b>943.05</b>	<b>59.25</b>	<b>59.25</b>	-	<b>943.05</b>	<b>1,002.30</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particulars	Carrying value		Fair value			
	Amortised cost	FVTPL	Level - 1	Level - 2	Level - 3	Total
<b>Financial Liabilities</b>						
Payable						
(i) Trade payable						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of other than micro enterprises and small enterprises	49.71	-	-	-	49.71	<b>49.71</b>
(ii) Other payable						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of other than micro enterprises and small enterprises	-	-	-	-	-	-
Borrowings (other than debt securities)	1,558.55	-	-	-	1,558.55	<b>1,558.55</b>
Subordinated Liabilities	683.64	-	-	-	683.64	<b>683.64</b>
Other financial liabilities	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>2,291.90</b>	-	-	-	<b>2,291.90</b>	<b>2,291.90</b>

## (ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is given below:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

There were no transfers between any levels during the year

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and debentures which are included in level 3.

During the year there were no transfers between level 1 and level 2. Similarly there were no transfer from or transfer to level 3.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****37 Financial risk management**

The Company's business activities expose it to a variety of financial risks, namely credit risk and liquidity risk.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

The Company has exposure to credit risk from a limited customer group on account of specialised nature of business, i.e., port services provided by the Company. The Company ensures concentration of credit does not significantly impair the financial assets. The Company, based on the credit information available with its, has provided expected credit loss. Rest of the exposure is to the Customers which are well established and from reputed industries.

**Expected credit loss for trade receivables under simplified approach**

(₹ in Lakhs)

Particulars	Amount
Year ended 31 March 2022	29.13
Year ended 31 March 2021	31.32

**(ii) Management of liquidity risk:**

Liquidity risk is the risk that the Company will fail in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

(₹ in Lakhs)

Particulars	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
<b>As at 31 March 2022</b>					
Payable	111.66	109.84	1.77	0.05	111.66
Borrowings (other than debt securities)	1,433.70	283.28	894.75	889.83	2,067.86
Subordinated Liabilities	749.95	-	-	2,500.00	2,500.00
<b>Total</b>	<b>2,295.31</b>	<b>393.12</b>	<b>896.52</b>	<b>3,389.88</b>	<b>4,679.51</b>

(₹ in Lakhs)

Particulars	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
<b>As at 31 March 2021</b>					
Payable	49.71	49.71	-	-	49.71
Borrowings (other than debt securities)	1,558.55	252.17	980.91	1,322.50	2,555.58
Subordinated Liabilities	683.64	-	-	2,500.00	2,500.00
<b>Total</b>	<b>2,291.90</b>	<b>301.88</b>	<b>980.91</b>	<b>3,822.50</b>	<b>5,105.29</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****(iii) Financing arrangements**

The company had access to following undrawn borrowing facilities at the end of reporting period:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Expiring within one year	-	-
Expiring beyond one year	-	-
	-	-

**(iv) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include borrowings and investments measured at FVTPL.

**(a) Interest rate risk**

Exposure at the year end is as follow :

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	1,433.70	1,558.55
Fixed rate borrowings	749.95	683.64
Total borrowings	<b>2,183.65</b>	<b>2,242.19</b>

An analysis by maturities is provided in Liquidity risk note above.

**Sensitivity**

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Company's profit before tax will be impacted by a change in interest rate as follows:

(₹ in Lakhs)

Particulars	Increase / (Decrease) in profit before tax	
	Year ended March 31, 2021	Year ended March 31, 2020
Increase in interest rate by 20 basis points (20 bps)	(2.87)	(3.12)
Decrease in interest rate by 20 basis points (20 bps)	2.87	3.12

**(b) Price risk**

Exposure at the year end is as follow:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Equity instruments (Fair Value through profit and loss)	-	59.25
<b>Total</b>	<b>-</b>	<b>59.25</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****Sensitivity**

Profit or loss is sensitive to fair value change in investment value as a change in market price. A 10 percentage increase or decrease is used when reporting price risk internally to key management personnel and represents management's assessment of the reasonably possible change in price risk. With all other variables held constant, the Company's profit before tax will be impacted by a change in price as follows:

(₹ in Lakhs)

Particulars	Increase / (Decrease) in profit before tax	
	As at 31 March 2022	As at 31 March 2021
Increase in price by 10%	-	(5.93)
Decrease in price by 10%	-	5.93

**38 Capital management****(i) Risk management**

Equity share capital, other equity and secured borrowings from the banks are considered for the purpose of Company's capital management. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from external parties such as banks or financial institutions. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain shareholder, creditor and stakeholder confidence to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**39 Disclosure related to funds borrowed from banks and financial institutions**

The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

**40 Wilful Defaulter**

The company is not declared wilful defaulter by any bank or financial Institution or other lender as on 31st March, 2022.

**41 Relationship with Struck off Companies**

The company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 as on 31st March, 2022.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period (₹ in Lakhs)	Relationship with the struck off company, if any, to be disclosed
SHAKTI STOCK BROKING PVT.LTD.	Shares held by struck off company	0.01	Not Applicable
SEAWIND HOLDING PVT. LTD.	Shares held by struck off company	0.22	Not Applicable

**42 Registration of charges or satisfaction**

There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period i.e. 31st March, 2022.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****43 Compliance with number of layers of companies**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**44 Ratios**

Ratio	2021-22	2020-21	% Variance	Reason for variance (if above 25%)
<b>Capital to risk-weighted assets ratio (CRAR)</b>				
Total of Tier 1 & Tier 2 (Numerator)	7229.68	5917.81		
Risk Adjusted Assets (Denominator)	8464.01	7105.54		
Ratio	85%	83%	2%	
Tier I CRAR	6,479.73	5,234.17		
Tier II CRAR	749.95	683.64		
Liquidity Coverage Ratio.	-	-	-	

**45 Corporate Social Responsibility (CSR)**

The company is not covered under section 135 of the companies act, 2013 as on 31st March, 2022.

**46 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year as on 31st March, 2022.

**47 Utilisation of Borrowed funds and share premium**

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding regarding utilisation of borrowed funds and share premium.

In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**      **Anil Bhagchandani**  
Company Secretary      Chief Financial Officer

## Independent Auditors' Report

**To**  
**The Members Of Systematix Corporate Services Limited**  
**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the consolidated financial statements of **SYSTEMATIX CORPORATE SERVICES LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 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 consolidated state of affairs of the Group and its associate as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
1	<p><b>Revenue from Operations</b></p> <p>Revenue from operations mainly comprises of revenue from investment banking services which includes lead manager's fees, underwriting commission, fees for mergers, acquisitions and advisory assignments; and arranger's fees for mobilizing debt funds.</p> <p>Revenue is recognized when the services for the transaction are determined to be completed or when specific obligations are determined to be fulfilled as per the terms of the engagement.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>– Obtained process understanding and tested the design and implementation of the controls established by the Company for revenue recognition.</li> <li>– For selected samples, evaluated fulfilment of the performance obligations as per the terms of engagement with customers by checking the underlying documents.</li> </ul>

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
	<p>The variety and number of obligations within the contracts can make it complex and requires significant judgement of management to determine completion of the performance condition associated with the revenue. Due to this complexity and significant level of judgement involved, we have identified Revenue from operations a Key Audit Matter in respect of consolidated financial statements.</p>	<p>– Obtained corroboration from the business teams on the open mandates and checked the reconciliation prepared by the Company between the open mandates and the revenue recognized in the books of accounts.</p>
	<p><b>Allowances for expected credit losses ('ECL'):</b></p> <p>As at 31 March 2022, the carrying value of loan assets measured at amortised cost, aggregated ₹ 4,001.32 lakhs (net of allowance for expected credit loss ₹ 503.42 lakhs) constituting approximately 17.72% of the Group's total assets.</p> <p>Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets is a critical estimate involving greater level of management judgement.</p> <p>As part of our risk assessment, we determined that ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the consolidated financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> <li>• Qualitative and quantitative factors used in staging the loan assets measured at amortised cost;</li> <li>• Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends;</li> <li>• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and</li> <li>• Adjustments to model driven ECL results to address emerging trends.</li> </ul> <p>(Refer note no. 6 and 2(f) to the consolidated financial statements).</p>	<p><b>Principal Audit Procedures</b></p> <p>We have examined the policies approved by the Boards of Directors of the Company and of the subsidiary that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Boards of Directors, procedures, and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, We have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustment have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others:</p> <p><b>Testing the design and operating effectiveness of the following:</b></p> <ul style="list-style-type: none"> <li>• Completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied;</li> <li>• Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio;</li> <li>• Accuracy of the computation of the ECL estimate including methodology used to determine macroeconomic overlays and adjustments to the output of the ECL Model; and</li> <li>• Consideration of the rules and regulations of the governing laws for the time being in force.</li> </ul>

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
		<p><b>Test of details on a sample basis in respect of the following:</b></p> <ul style="list-style-type: none"> <li>• Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD.</li> <li>• The mathematical accuracy of the ECL computation by using the same input data as used by the Group.</li> <li>• Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL Estimates have been computed.</li> <li>• Evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committee of the Group.</li> </ul>

### Other Information

The Holding Company's management and the Board of Directors are responsible for the preparation of the other information. The other information in the Annual Report of the Company 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 consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and the Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Management and the Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of associate are also responsible for overseeing the financial reporting process of the Group and of associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 controls.
- 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 and its subsidiary companies which are companies incorporated in India, 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 and Board of Directors.
- Conclude on the appropriateness of management's and Board of Director'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 ability of the Group and its associate 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 consolidated 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated 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 of the Holding Company and such other entities 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 consolidated 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates incorporated in India, none of the directors of the Group companies and associates incorporated in India is disqualified as on March 31, 2022 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
    - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group – Refer Note No 34 to the consolidated financial statements.

- ii. The Group did not have any material foreseeable losses on long term contracts including derivatives contracts during the year ended 31<sup>st</sup> March, 2022.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiaries incorporated in India during the year ended 31<sup>st</sup> March, 2022.
- iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (h) The dividend declared or paid during the year by the Holding Company are in compliance with section 123 of the Act.
- i) With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act: In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company is in accordance with the provisions of Section 197 of the Act.

**For SHAH & TAPARIA**  
Chartered Accountants  
(Firm Regn No 109463W)

**NAROTTAM SHAH**  
Partner  
M. No. 106355  
UDIN: 22106355AIDKUS9101

**Place:** Mumbai  
**Date:** 29/04/2022

**Annexure A to the Independent Auditor's report on the consolidated financial statements of SYSTEMATIX CORPORATE SERVICES LIMITED for the year ended 31 March 2022**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For SHAH & TAPARIA**

Chartered Accountants  
(Firm Regn No 109463W)

**NAROTTAM SHAH**

Partner

M. No. 106355

UDIN: 22106355AIDKUS9101

**Place:** Mumbai

**Date:** 29/04/2022



**Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SYSTEMATIX CORPORATE SERVICES LIMITED of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of SYSTEMATIX CORPORATE SERVICES LIMITED (hereinafter referred to as “Company”) and its subsidiary companies and its associate, which are companies incorporated in India, as of that date.

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

The respective company’s management and the Board of Directors of the respective Companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies and its associate, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies 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 SHAH & TAPARIA**

Chartered Accountants  
(Firm Regn No 109463W)

**NAROTTAM SHAH**

Partner  
M. No. 106355  
UDIN: 22106355AIDKUS9101

**Place:** Mumbai  
**Date:** 29/04/2022

## Consolidated Balance sheet as at 31 March 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>I. Financial assets</b>			
Cash and cash equivalents	3	1,384.27	1,363.38
Bank balances other than above	4	7,840.07	5,204.41
Receivables			
(i) Trade receivables	5	4,031.58	1,021.68
Loans	6	4,031.32	3,720.58
Investments	7	2,474.29	541.16
Other financial assets	8	1780.82	3,946.74
		<b>21,542.34</b>	<b>15,797.95</b>
<b>III. Non-financial assets</b>			
Current tax assets (net)	9	126.93	309.23
Deferred tax assets (net)	10	-	74.77
Property, plant and equipment	11	305.59	293.32
Intangible assets	12	343.39	350.66
Other non-financial assets	13	266.21	273.27
		<b>1,042.12</b>	<b>1,301.25</b>
<b>Total Assets</b>		<b>22,584.46</b>	<b>17,099.20</b>
<b>LIABILITIES AND EQUITY</b>			
<b>I. LIABILITIES</b>			
<b>Financial Liabilities</b>			
Payable	14		
(i) Trade payable			
- total outstanding dues of other than micro enterprises and small enterprises		9,584.43	5,378.76
(ii) Other payable			
- total outstanding dues of other than micro enterprises and small enterprises		0.69	7.64
Borrowings (other than debt securities)	15	2,283.41	2,887.62
Subordinated Liabilities	16	749.95	683.64
Other financial liabilities	17	148.47	168.72
		<b>12,766.94</b>	<b>9,126.38</b>
<b>Non-financial Liabilities</b>			
Current tax liabilities (net)	18	(52.36)	-
Provisions	19	129.27	84.70
Deferred tax liabilities (net)		44.00	-
Other non-financial liabilities	20	198.01	173.71
		<b>318.91</b>	<b>258.41</b>
<b>II. EQUITY</b>			
Equity Share Capital	21	1,305.14	1,305.14
Other equity	22	8,193.47	6,409.27
		<b>9,498.61</b>	<b>7,714.41</b>
<b>Total Liabilities and Equity</b>		<b>22,584.46</b>	<b>17,099.20</b>

The above balance sheet should be read in conjunction with the accompanying notes.  
In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**  
Company Secretary

**Anil Bhagchandani**  
Chief Financial Officer

**Consolidated statement of profit and loss for the year ended 31 March 2022**

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations			
Interest income	23	801.25	803.87
Service income	24	7,679.95	4,671.27
Net gain on fair value changes	25	452.32	13.32
<b>Total revenue from operation</b>		<b>8,933.53</b>	<b>5,488.46</b>
Other income	26	160.10	86.23
<b>Total Income</b>		<b>9,093.63</b>	<b>5,574.69</b>
<b>Expenses</b>			
Finance costs	27	349.38	354.68
Impairment on financial instruments	28	339.26	184.09
Share of loss from Joint Venture LLP(SVP)		9.15	2.34
Employee benefits expenses	29	3,355.00	2,685.59
Depreciation, amortization and impairment	30	66.19	105.00
Other expenses	31	2,638.87	2,135.96
<b>Total Expenses</b>		<b>6,757.85</b>	<b>5,467.67</b>
<b>Profit/(loss) before tax</b>		<b>2,335.78</b>	<b>107.03</b>
Tax expenses	32		
Current tax		478.77	24.88
Earlier Tax		0.42	(28.42)
Deferred tax		106.88	(21.07)
<b>Total tax expenses</b>		<b>586.06</b>	<b>(24.61)</b>
<b>Profit/(Loss) after tax</b>		<b>1,749.71</b>	<b>131.64</b>
Other comprehensive income			
i. Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/asset		46.38	42.50
Tax on remeasurement of defined benefit -Actuarial gain or loss		(11.91)	(10.95)
		34.47	31.55
ii. Items that will be reclassified to profit or loss			
Remeasurement of defined benefit liability/asset		-	-
Tax on remeasurement of defined benefit -Actuarial gain or loss		-	-
		-	-
<b>Other comprehensive income</b>		<b>34.47</b>	<b>31.55</b>
<b>Total comprehensive income for the year</b>		<b>1,784.18</b>	<b>163.19</b>
Earning per Equity Shares of ₹ 10 each (not annualised)			
- Basic and Diluted	33	13.48	1.01

The above statement of profit and loss should be read in conjunction with the accompanying notes.  
In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**  
Company Secretary

**Anil Bhagchandani**  
Chief Financial Officer

## Consolidated cash flow for the year ended 31 March 2022

(₹ in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
<b>Profit/(Loss) Before tax</b>	2,335.78	107.03
<b>Adjustments for : -</b>		
1 Depreciation on Property, Plant and Equipment	66.19	105.00
2 Interest/Dividend Received	(26.93)	(30.67)
3 Profit /Loss on Sale of Assets/MF/Shares	(11.84)	(0.01)
4 Interest on lease liability	0.12	4.16
5 Net fair value changes	(452.32)	(13.32)
6 Interest as per effective interest rate	-	(1.95)
7 Interest Paid	282.94	290.06
8 Interest on Subordinated Liability	66.31	60.45
9 Impairment on financial instruments	339.26	184.09
<b>Operating profit before working capital changes</b>	<b>2,599.52</b>	<b>704.85</b>
<b>Adjustments for : -</b>		
1 Trade and Other Receivables	(1,479.04)	(1,899.75)
2 Trade Payable	4,248.46	2,229.69
3 Long Term Loans & Advances	(310.74)	749.19
<b>Cash Generated from operation</b>	<b>5,058.19</b>	<b>1,783.98</b>
Less: income tax paid	-	-
<b>Net cash from/ (used ) in operating activities</b>	<b>5,058.19</b>	<b>1,783.98</b>
<b>B Cash flow from investing activities</b>		
1 Purchase of Fixed Assets	(71.19)	(13.90)
2 Interest Received	26.93	30.67
3 Investments (purchased)	(1,468.96)	(192.10)
<b>Net cash from/ (used) in investing activities</b>	<b>(1,513.23)</b>	<b>(175.33)</b>
<b>C Cash flow from financing activities</b>		
1 Repayment /Proceeds from Long and Short Term Borrowings	(604.21)	832.90
2 Interest Paid	(282.94)	(290.06)
3 Lease Payment (Receipt)	(1.25)	42.48
<b>Net Cash from financing activities</b>	<b>(888.40)</b>	<b>585.32</b>
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>2,656.56</b>	<b>2,193.97</b>
Cash and Cash equivalents as (Opening Balance)	6,567.79	4,373.82
Cash and Cash equivalents as (Closing Balance)	9,224.34	6,567.79

In terms of our report of even date attached

**For Shah & Taparia**Chartered Accountants  
FRN NO:109463W**Narottam Shah**Partner  
M NO.106355Mumbai  
29 April 2022**For and on behalf of the Board of Directors****Chandra Prakash Khandelwal**Managing Director  
DIN: 00016373**Spruha Deshpande**  
Company Secretary**Anil Bhagchandani**  
Chief Financial Officer

**Statement of change in equity for the year ended 31 March 2022****(A) Share capital**

(₹ in Lakhs)

Particular	Equity share capital
<b>As at 31 March 2020</b>	<b>1,298.03</b>
Changes in equity share capital	-
<b>As at 31 March 2021</b>	<b>1,298.03</b>
Changes in equity share capital	-
<b>As at 31 March 2022</b>	<b>1,298.03</b>

**(B) Other equity****1. Reserve and Surplus**

(₹ in Lakhs)

Particular	Capital reserve	Securities premium	General reserve	Reserve fund	Retained earnings	Total
<b>As at 31 March 2020</b>	228.64	1,865.02	348.19	280.58	3,523.66	<b>6,247.35</b>
Changes in equity during the year						
Transfer from Retained earnings	-	-	-	1.67	(1.67)	-
Loss for the year	-	-	-	-	131.64	<b>131.64</b>
Remeasurement of the net defined benefit liability/ asset (net of tax effect)	-	-	-	-	(31.55)	<b>(31.55)</b>
<b>As at 31 March 2021</b>	<b>228.64</b>	<b>1,865.02</b>	<b>348.19</b>	<b>282.25</b>	<b>3,685.18</b>	<b>6,410.54</b>
<b>As at 31 March 2021</b>	228.64	1,865.02	348.19	282.25	3,685.18	<b>6,410.54</b>
Changes in equity during the year						
Transfer from Retained earnings	-	-	-	235.34	(235.34)	-
Loss for the year	-	-	-	-	1,749.71	<b>1,749.71</b>
Remeasurement of the net defined benefit liability/ asset (net of tax effect)	-	-	-	-	(34.47)	<b>(34.47)</b>
<b>As at 31 March 2022</b>	<b>228.64</b>	<b>1,865.02</b>	<b>348.19</b>	<b>517.59</b>	<b>5,234.02</b>	<b>8,194.73</b>

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**  
Company Secretary

**Anil Bhagchandani**  
Chief Financial Officer

**Notes forming part of the consolidated financial statements (contd...)****1) Corporate information**

Systematix Corporate Services Limited ('the Company' or 'the Parent Company') is a Public Limited Company incorporated and domiciled in India and has its registered office in India at 206-207, Bansi Trade Centre 581/5 M.G Road, Indore - 452001. The Company has its primary listings on the BSE in India. The Company is registered as category I Merchant banker with Security Exchange Board of India (SEBI) and primarily engaged in Merchant Banking Activities. The Group is engaged into Merchant Banking activities, Broking house and lending and related activities.

These consolidated financial statements comprise the Company and its subsidiaries and associates (hereinafter collectively referred to as "the Group").

These consolidated financial statements of the Group were authorised for issue by the board of directors on 29th April, 2022.

**2) Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation and presentation of Consolidated Financial Statements****A) Statement of compliance**

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following ;

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in Indian Rupee (Rs) INR which is also the Group's functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

**B) Basis / Principles of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and associates as at 31 March 2022.

- i) Subsidiaries:** Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.
- ii) Equity accounted investees:** The Group's interests in equity accounted investees comprise interests in associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

**Notes forming part of the consolidated financial statements (contd...)**

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., 31 March 2022. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the standalone financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation procedure:**

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements include the audited financial statements of the following entities, which are controlled directly or indirectly by the Company:

Name of the Company	Country of Incorporation	% Holding as at 31 March 2022	Control and share of profit / loss as at 31 March 2021
Systematix Fincorp India Limited	India	100 %	100 %
Systematix Finvest Private Limited	India	100 %	100 %
Systematix Shares and Stocks (India) Limited	India	100 %	100 %
Systematix Commodities Services Private Limited	India	100 %	100 %
Systematix Ventures Private Limited	India	100 %	100 %
Divisha Alternative Investments LLP	India	51%	51%



**Notes forming part of the consolidated financial statements (contd...)****iii) Non-controlling interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

**iv) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity and any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest in joint venture or financial asset. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

**Summary of significant accounting policies**

- (i) Functional and presentation currency Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Group.
- (ii) Foreign currency transactions and balances are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.
- (iii) Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.
- (iv) Investment in subsidiaries: Investment in subsidiaries is measured at cost.

**(v) Current v/s Non-current classification**

The group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset /liability is current when it is:

**Notes forming part of the consolidated financial statements (contd...)**

- Expected to be realised/settled or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised / settled within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(vi) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the group becomes a party to the contractual provisions of the instrument.

**Financial Assets:****Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit or Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investments at FVOCI.

**Initial recognition and measurement**

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed of in the Statement of Profit or Loss.

**Subsequent measurement**

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through profit or loss), or
- amortized cost

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on trade date. While, loans

**Notes forming part of the consolidated financial statements (contd...)**

and borrowings and payables are recognised net of directly attributable transaction costs. For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**(vii) Debt instruments at FVTOCI**

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset's contractual cash flow represent Solely Payments of Principal and Interest (SPPI)

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain / (loss) in statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

**(viii) Equity instruments at FVTOCI**

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

**(ix) Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Group has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

- a) Non-derivative financial liabilities
  - (i) Financial liabilities at amortised cost: Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
  - (ii) Financial liabilities at FVTPL: Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

**Notes forming part of the consolidated financial statements (contd...)**

- b) **Derivative financial instruments:** Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

**(x) Property, plant and equipment:**

- a) **Recognition and measurement:** All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

- b) **Depreciation method, estimated useful life and residual value:** The Group depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on property plant and equipment has been provided on the straight line method allocated to its cost, net of residual value, over their estimated useful lives as follows:

Type of Asset	Estimated useful life
Computer (included in Plant & Equipment) End user services Servers and network	3 years
Vehicles	8 years
Office Equipments	5 years
Furniture and fixtures	10 years
Plant and equipments	15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. There was no change in the useful life of property, plant and equipment as compared to previous year. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress (if any).

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

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

**Notes forming part of the consolidated financial statements (contd...)**

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

**(xi) Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The estimated useful life of Intangible are as follows:

Type of Asset	Estimated useful life
Computer Software	3 years
Membership License	5 years

**(xii) Impairment of assets:**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**Impairment of Financial Assets**

In accordance with Ind AS 109, the Group applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Group recognises life time expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

At each reporting date, the Group assesses whether the loans have been impaired. The Group is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss.

The Group recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Group consider outstanding overdue for more than 90 days for calculation of expected credit loss with periodical percentage method. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Notes forming part of the consolidated financial statements (contd...)****Derecognition of Financial Assets**

A financial asset is derecognized only when:

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

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**Financial Liabilities:****Initial recognition and measurement**

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue/origination of the financial liability.

**Subsequent Measurement**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

**Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

**(xiii) Trade receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**Notes forming part of the consolidated financial statements (contd...)****(xiv) Cash and Cash Equivalents:**

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

**(xv) Provisions, Contingent Liabilities and Contingent Assets:****a) Provision**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding 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). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**b) Contingent Liability**

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 Group, 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.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**c) Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

**(xvi) Employee benefits****i. Short term Obligation**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end

**Notes forming part of the consolidated financial statements (contd...)**

of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Post-Employment Obligation:

The group operates the following post-employment schemes.

- Defined benefit plan i.e. gratuity

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee.

The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Gratuity:**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Provident Fund:**

Eligible employees of the company receive benefits from employee's provident fund Organisation, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The remaining portion is contributed to the government-administered pension fund.



**Notes forming part of the consolidated financial statements (contd...)****(xvii) Revenue recognition**

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Group recognises revenue from the following sources:

**i. Revenue from fees**

Revenue from fees includes income from Merchant banking, Investment banking, advisory fees, and syndication fees. It is recognised based on the stage of completion of assignments and terms of agreement with the client.

**ii. Brokerage income**

Revenue from contract with customer is recognised point in time when performance obligation is satisfied. Income from broking activities is accounted for on the trade date of transactions.

**iii. Portfolio management fees**

Portfolio Management Fees are accounted over a period of time as follows:

Performance obligations are satisfied over a period of time and portfolio management fees are recognised in accordance with the Portfolio Management Agreement entered with respective clients i.e., as per pre-decided percentage over the portfolio managed by group.

**iv. Research and advisory income**

Research and advisory income is accounted for on an accrual basis in accordance with the terms of the respective agreements entered into between the Group and the counter party.

**v. Interest income**

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial

**Notes forming part of the consolidated financial statements (contd...)**

assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

**vi. Dividend income**

Dividend income is recognized in the Statement of profit and loss on the date that the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

**vii. Other heads**

In respect of other heads of Income it is accounted to the extent it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made.

**(xviii) Taxes on income**

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with The Income Tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

**Current tax**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

**Current tax assets and liabilities are offset only if, the Company:**

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**Notes forming part of the consolidated financial statements (contd...)**

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if the Company:

- a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and Deferred tax for the year - OCI

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Minimum Alternate Tax**

Minimum Alternate Tax is in the nature of unused tax credit which can be carried forward and utilised when the company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognized to the extent that is probable that the unused tax credit can be utilised in the specified future period.

**(xix) Borrowing Cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(xx) Earnings per share****i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year.

**ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**Notes forming part of the consolidated financial statements (contd...)****(xxi) Foreign Currency Transactions:**a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Group are restated at the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively). Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

**(xxii) Leases****As a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), cancellable leases with not more than minimum penalty and low value leases. For these short-term leases, cancellable leases with not more than minimum penalty and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses, if any and adjusted for any re-measurement of the lease liability.

**Notes forming part of the consolidated financial statements (contd...)**

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**As a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(xxiii) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance cost.

The fair value of the liability portion of an optionally convertible bonds is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

**Notes forming part of the consolidated financial statements (contd...)**

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

**(xxiv) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**(xxv) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**(xxvi) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Director which makes strategic decisions.

## Notes forming part of the consolidated financial statements (contd...)

## 3 Cash and cash equivalents

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Cash in hand	3.12	3.51
Balances with banks		
- In current accounts	1,381.15	1,359.87
<b>Total</b>	<b>1,384.27</b>	<b>1,363.38</b>

## 4 Bank balances other than above

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
In Deposit Account offered as Security/Margin	7,839.57	5,204.41
Other Bank Balances	0.50	-
<b>Total</b>	<b>7,840.07</b>	<b>5,204.41</b>

## 5 Trade receivables

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Receivable considered good - secured	-	-
Receivable considered good - unsecured	-	-
- from related parties	-	-
- from others	4,034.39	803.53
Receivable which have significant increase in credit risk	1.55	263.31
Receivable - credit impaired	69.41	69.20
Less: Impairment Allowance	(73.77)	(114.36)
<b>Total</b>	<b>4,031.58</b>	<b>1,021.68</b>

## Reconciliation of impairment allowance on trade receivable

(₹ in Lakhs)

Particular	Amount
Impairment allowance measured as per simplified approach	
<b>As at 31 March 2020</b>	<b>80.39</b>
Add: Addition during the year	147.84
Less: Reduction during the year	(113.86)
<b>As at 31 March 2021</b>	<b>114.36</b>
Add: Addition during the year	
Less: Reduction during the year	(40.59)
<b>As at 31 March 2022</b>	<b>73.77</b>

## Notes forming part of the consolidated financial statements (contd...)

(₹ in Lakhs)

Trade receivable	Current	181-360 days	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>ECL rate</b>	<b>0%</b>	<b>10.00%</b>	<b>25.00%</b>	<b>30.00%</b>	<b>100.00%</b>	
<b>As at 31 March 2021</b>						
Estimated total gross carrying amount at default	842.36	66.13	135.45	33.01	59.09	1,136.04
ECL - Simplified approach	-	7.45	32.38	28.60	45.94	114.37
<b>Net carrying amount</b>	<b>842.36</b>	<b>58.68</b>	<b>103.07</b>	<b>4.41</b>	<b>13.15</b>	<b>1,021.67</b>
<b>As at 31 March 2022</b>						
Estimated total gross carrying amount at default	3,942.53	45.23	30.34	6.08	81.32	4,105.50
ECL - Simplified approach	-	0.34	-	0.37	73.05	73.77
<b>Net carrying amount</b>	<b>3,942.53</b>	<b>44.89</b>	<b>30.34</b>	<b>5.71</b>	<b>8.27</b>	<b>4,031.58</b>

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	3,938.57	44.42	0.19	5.34	11.91	<b>4,000.43</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	0.81	0.18	0.74	-	3.77	<b>5.51</b>
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	28.60	<b>28.60</b>

## 6 Loans

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>At amortised cost</b>		
(A) Loan Repayable on demand	4,504.74	3,844.14
<b>Total gross</b>	<b>4,504.74</b>	<b>3,844.14</b>
Less: Impairment Loss Allowance	503.42	123.57
<b>Total</b>	<b>4,001.32</b>	<b>3,720.58</b>



## Notes forming part of the consolidated financial statements (contd...)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>Security details</b>		
(i) Secured against shares	139.54	139.54
(i) Unsecured	4,330.23	4,330.23
<b>Total gross</b>	<b>4,469.77</b>	<b>4,469.77</b>
Less: Impairment loss allowance	-	-
<b>Total net</b>	<b>4,001.32</b>	<b>4,469.77</b>
<b>Geographical details</b>		
(i) Loans in India		
(a) Others		
- Corporates	3,642.93	3,642.93
- Retail	826.84	826.84
<b>Total gross</b>	<b>4,469.77</b>	<b>4,469.77</b>
Less: Impairment loss allowance	-	-
<b>Total net</b>	<b>4,469.77</b>	<b>4,469.77</b>

## i) Details of loans and advances in the nature of loans to subsidiaries, associates, firms/ companies in which directors are interested:

(₹ in Lakhs)

Name of the Company and relationship	As at 31 March 2022	As at 31 March 2021
<b>Subsidiaries</b>		
Systematix Finvest Private Limited	120.19	347.82
NHI Developers LLP	880.46	-
Urban Affordable Housing LLP	30.00	-
<b>Total gross</b>	<b>1,030.66</b>	<b>347.82</b>
Less: Impairment loss allowance	-	-
<b>Total net</b>	<b>1,030.66</b>	<b>347.82</b>

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	1,030.66	23%

## Notes forming part of the consolidated financial statements (contd...)

## 7 Investments

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) INVESTMENTS</b>		
Mutual Funds (Fair value through Profit and Loss)	10.25	191.28
Equity instruments (Fair Value through profit and loss)	2,068.50	144.28
Other Investments		
Investment in Divisha Alternative Investments LLP	5.60	5.60
Investment in Unlisted Equity shares	189.93	-
10% Debenture of Skittish Realtors Private Limited	200.00	200.00
<b>Total (A)</b>	<b>2,474.29</b>	<b>541.16</b>
(i) Investments outside India	-	-
(ii) Investments in India	2,474.29	541.16
<b>Total (B)</b>	<b>2,474.29</b>	<b>541.16</b>
Less:		
Allowance for impairment Loss	-	-
<b>Total</b>	<b>2,474.29</b>	<b>541.16</b>

## Aggregate value of Investments

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Aggregate book value of quoted investments	2,078.75	335.56
Aggregate market value of quoted investments	2,078.75	335.56
Aggregate book value of unquoted investments	200.00	205.60
<b>Total</b>	<b>2,278.75</b>	<b>541.16</b>

## 8 Other financial assets

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Accrued income	54.34	73.00
Deposits	1,622.50	3,841.93
Others	103.97	31.82
<b>Total</b>	<b>1,780.82</b>	<b>3,946.74</b>

## 9 Current tax assets (net)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Advance payment of income tax	126.93	309.23
<b>Total</b>	<b>126.93</b>	<b>309.23</b>

## Notes forming part of the consolidated financial statements (contd...)

## 10 Deferred tax assets

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Deferred tax liability on account of :		
- Depreciation and amortization due to timing difference	6.40	3.76
<b>Total Deferred tax liability</b>	<b>6.40</b>	<b>3.76</b>
Deferred tax assets on account of :		
- Depreciation and amortization due to timing difference	15.28	16.04
- Additional contribution to gratuity plan assets	28.88	19.07
- Provision for standard assets	3.16	2.26
- Provision for bad and doubtful debts	11.24	20.89
- Expected credit loss	7.33	7.88
- Right to use assets	-	0.35
Others	(103.49)	12.03
<b>Total Deferred tax assets</b>	<b>(37.59)</b>	<b>78.52</b>
<b>Net Deferred tax assets (A)</b>	<b>(44.00)</b>	<b>74.77</b>
MAT Credit entitlement (B)	-	-
<b>Total (a+b)</b>	<b>(44.00)</b>	<b>74.77</b>

## Movement in deferred tax balances

(₹ in Lakhs)

Particular	As at 31 March 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at 31 March 2022
Deferred tax liability on account of :				
- Depreciation and amortization due to timing difference	3.76	2.63	-	6.40
<b>Total Deferred tax liability</b>	<b>3.76</b>	<b>2.63</b>	<b>-</b>	<b>6.40</b>
Deferred tax assets on account of :				
- Depreciation and amortization due to timing difference	16.04	0.76	-	15.28
- Additional contribution to gratuity plan assets	19.07	(9.45)	(0.37)	28.88
- Provision for standard assets	2.26	(0.90)	-	3.16
- Provision for bad and doubtful debts	20.89	9.64	-	11.24
- Expected credit loss	7.88	0.55	-	7.33
- Right to use assets	0.35	0.35	-	-
Others	12.03	115.52	-	(103.49)
<b>Total Deferred tax assets</b>	<b>78.52</b>	<b>116.54</b>	<b>(0.37)</b>	<b>(37.59)</b>
<b>Deferred tax assets (net)</b>	<b>74.77</b>	<b>119.17</b>	<b>(0.37)</b>	<b>(44.00)</b>

## Notes forming part of the consolidated financial statements (contd...)

## 11 Property, plant and equipment

(₹ in Lakhs)

Particular	Right to use assets - Lease building	Building	Plant and equipments	Furniture and fixtures	Vehicles	Total
<b>Gross carrying amount</b>						
As at 1st April, 2021	246.67	14.15	826.33	303.48	230.11	1,620.74
Additions	-	-	80.41	2.52	-	82.93
Deductions and adjustments	(246.67)	-	-	-	-	(246.67)
<b>As at 31 March 2022</b>	<b>-</b>	<b>14.15</b>	<b>906.74</b>	<b>306.00</b>	<b>230.11</b>	<b>1,457.00</b>
<b>Accumulated depreciation and impairment</b>						
As at 1st April, 2021	233.88	6.55	709.58	259.20	118.18	1,327.39
Depreciation charged during the year	1.06	2.24	29.44	6.59	19.60	58.93
Adjustments	-	-	-	-	-	-
Disposals	(234.94)	-	-	-	-	(234.94)
<b>As at 31 March 2022</b>	<b>-</b>	<b>8.79</b>	<b>739.02</b>	<b>265.79</b>	<b>137.78</b>	<b>1,151.38</b>
<b>Net carrying amount As at 31 March 2022</b>	<b>-</b>	<b>5.36</b>	<b>167.72</b>	<b>40.21</b>	<b>92.33</b>	<b>305.59</b>

(₹ in Lakhs)

Particular	Right to use assets - Lease building	Building	Plant and equipments	Furniture and fixtures	Vehicles	Total
<b>Gross carrying amount</b>						
As at 1st April, 2020	913.99	-	789.29	303.48	230.11	2,236.87
Additions	-	14.15	39.35	-	-	53.50
Deductions and adjustments	(667.32)	-	(2.31)	-	-	(669.63)
<b>As at 31 March 2021</b>	<b>246.67</b>	<b>14.15</b>	<b>826.33</b>	<b>303.48</b>	<b>230.11</b>	<b>1,620.74</b>
<b>Accumulated depreciation and impairment</b>						
As at 1st April, 2020	849.25	4.31	681.77	239.05	95.78	1,870.16
Depreciation charged during the year	22.77	2.24	29.29	20.15	22.40	96.85
Disposals	(638.14)	-	(1.48)	-	-	(639.62)
<b>As at 31 March 2021</b>	<b>233.88</b>	<b>6.55</b>	<b>709.58</b>	<b>259.20</b>	<b>118.18</b>	<b>1,327.39</b>
<b>Net carrying amount As at 31 March 2021</b>	<b>12.79</b>	<b>7.60</b>	<b>116.75</b>	<b>44.28</b>	<b>111.93</b>	<b>293.35</b>

## Notes forming part of the consolidated financial statements (contd...)

## 12 Intangible assets

(₹ in Lakhs)

Particular	Goodwill on Consolidation	Membership in BSE	Computer software	Membership License	Total
<b>Gross carrying amount</b>					
As at 1st April, 2021	309.46	277.00	401.58	20.00	1,008.04
Additions	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>309.46</b>	<b>277.00</b>	<b>401.58</b>	<b>20.00</b>	<b>1,008.04</b>
<b>Accumulated depreciation and impairment</b>					
As at 1st April, 2021	-	277.00	373.87	6.50	657.37
Depreciation charged during the year	-	-	3.50	3.76	7.26
<b>As at 31 March 2022</b>	<b>-</b>	<b>277.00</b>	<b>377.37</b>	<b>10.26</b>	<b>664.63</b>
<b>Net carrying amount As at 31 March 2022</b>	<b>309.46</b>	<b>-</b>	<b>24.21</b>	<b>9.74</b>	<b>343.39</b>

(₹ in Lakhs)

Particular	Goodwill on Consolidation	Membership in BSE	Computer software	Membership License	Total
<b>Gross carrying amount</b>					
As at 1st April, 2020	309.46	277.00	397.02	20.00	1,003.48
Additions	-	-	4.56	-	4.56
<b>As at 31 March 2021</b>	<b>309.46</b>	<b>277.00</b>	<b>401.58</b>	<b>20.00</b>	<b>1,008.04</b>
<b>Accumulated depreciation and impairment</b>					
As at 1st April, 2020	-	277.00	369.51	2.74	649.25
Depreciation charged during the year	-	-	4.36	3.76	8.13
<b>As at 31 March 2021</b>	<b>-</b>	<b>277.00</b>	<b>373.87</b>	<b>6.50</b>	<b>657.38</b>
<b>Net carrying amount As at 31 March 2021</b>	<b>309.46</b>	<b>-</b>	<b>27.70</b>	<b>13.50</b>	<b>350.66</b>

## 13 Other non-financial assets

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Prepaid/Advance for expenses	72.07	83.27
Advance salary	6.38	8.87
Advance to Vendors	2.17	0.84
Balance with government authorities	142.40	179.62
Others	43.19	0.67
<b>Total</b>	<b>266.21</b>	<b>273.27</b>

## Notes forming part of the consolidated financial statements (contd...)

## 14 Payable

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
(i) Trade payable		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of other than micro enterprises and small enterprises	9,584.43	5,378.76
	<b>9,584.43</b>	<b>5,378.76</b>
(ii) Other payable		
total outstanding dues of other than micro enterprises and small enterprises	0.69	7.64
	<b>0.69</b>	<b>7.64</b>
<b>Total</b>	<b>9,585.12</b>	<b>5,386.41</b>

## a) Disclosures requirement under section 22 of the Micro, Small Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
i) Principal amount and interest due thereon remaining unpaid to each supplier at the end of each accounting year	-	-
ii) Interest paid by the Group in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv) Interest accrued and remaining unpaid at the end of each accounting year	-	-
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

## b) Ageing schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	9,582.99	1.77	-	0.35	9,585.12
iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## Notes forming part of the consolidated financial statements (contd...)

## 15 Borrowings (other than debt securities)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>Secured</b>		
a) Term loans		
From Bank	-	1,362.65
From others	767.20	-
b) Loan repayable on demand		
From Bank	1,498.69	1,485.58
c) Vehicle loan	17.52	39.39
<b>Total</b>	<b>2,283.41</b>	<b>2,887.62</b>
Borrowings in India	2,283.41	2,887.62
<b>Total</b>	<b>2,283.41</b>	<b>2,887.62</b>

## Details of borrowings

(₹ in Lakhs)

Particulars	Security	Coupon Rate	As at 31 March 2022	As at 31 March 2021
From Bank - overdraft facilities	Secured against term deposit	In the range of 8 % to 9 %	64.99	89.90
Term loans - Unsecured	Unsecured	In the range of 10% to 16%	767.20	-
Loan from Yes Bank	Residential property owned by Goldflag Exports Private Limited	Floating interest rate @10.50% linked with 6 months Certificate of Deposit rate published by FBIL	199.54	223.12
Loan from Yes Bank		Floating interest rate @9.80% linked with Marginal Cost of Funds Lending Rate	1,029.78	1,088.07
Loan from Yes Bank		Floating interest rate @8.55% linked with Marginal Cost of Funds Lending Rate	204.38	247.36
Vehicle loan	Secured against term deposit	in the range of 7% to 8%	17.52	39.39
Loan repayable on demand	Secured against term deposit	11.5 % to 13.5 %	-	1,199.78
			<b>2,283.41</b>	<b>2,887.62</b>

## Notes forming part of the consolidated financial statements (contd...)

## Terms of repayment

(₹ in Lakhs)

Particulars	Terms of repayment	Less than 12 months	1-5 years	More than 5 years	Total
From Bank - overdraft facilities	On demand	64.99	-	-	64.99
Loan from Yes Bank	121 monthly instalments starting from January 2020	22.14	145.23	32.17	199.54
Loan from Yes Bank	191 monthly instalments starting from April 2018	63.47	412.76	553.55	1,029.78
Loan from Yes Bank	36 monthly instalments starting from September 2021	79.34	125.04	-	204.38
Vehicle loan	60 Equal Monthly Installments starting from November 2017	17.52	-	-	17.52
Loan repayable on demand	On demand	767.20	-	-	767.20

## 16 Subordinated Liabilities

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>At amortised cost</b>		
Preference shares		
2,50,00,000 Non Convertible Redeemable Preference Shares Rs. 10/- each	749.95	683.64
<b>Total</b>	<b>749.95</b>	<b>683.64</b>

Details of subordinated liabilities

(₹ in Lakhs)

Particulars	Maturity Date	Terms of repayment	Coupon Rate	As at 31 March 2022	As at 31 March 2021
Preference Share 2,50,00,000 Non Convertible Redeemable Preference Shares if Rs. 10/- each	30 March 2035	Redeemable at par out of the profit available for distribution as dividend or out of the proceeds of a fresh issue for redemption.	Nil rates coupon, non cumulative	749.95	683.64

## Notes:

- 1) 2,50,00,000 Non convertible Redeemable Preference Shares were issued for consideration other than cash.



## Notes forming part of the consolidated financial statements (contd...)

## 17 Other financial liabilities

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Deposit from VAST	0.75	0.75
Deposits from Remisery	114.07	134.22
Employee benefits payable	31.09	19.58
Other Payables	2.56	-
Lease Liability	-	14.18
<b>Total</b>	<b>148.47</b>	<b>168.73</b>

## 18 Current tax liabilities (net)

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Income tax	(52.36)	-
<b>Total</b>	<b>(52.36)</b>	<b>-</b>

## 19 Provisions

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
- Gratuity	119.39	75.74
Provision for NPA	-	3.39
Provision for standard assets	9.88	5.57
<b>Total</b>	<b>129.27</b>	<b>84.70</b>

## Information about provision and significant estimates

## Movement in provisions against standard assets

(₹ in Lakhs)

<b>Balance as on 31 March 2020</b>	<b>14.26</b>
Reversal of provision no longer required	(8.69)
<b>Provision as on 31 March 2021</b>	<b>5.57</b>
Reversal of provision no longer required	4.31
<b>Provision as on 31 March 2022</b>	<b>9.88</b>

## Employee Benefit Obligation

## Defined contribution plans

During the year the Group has made contribution of Rs 22.7 lakhs (previous year: Rs 20.31 lakhs) towards provident fund.

## Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest

**Notes forming part of the consolidated financial statements (contd...)**

after five years of continuous service. The Group's gratuity liability is funded.

The Group has carried out the actuarial valuation of Gratuity liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at March 2020</b>	281.99	172.65	109.33
Current service cost	48.10	-	48.09
Past service cost	-	-	-
Interest expense/(income)	14.39	8.05	6.34
Total amount recognised in profit and loss	<b>62.49</b>	<b>8.05</b>	<b>54.43</b>
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	1.99	(1.99)
(Gain)/loss from change in demographic assumptions	(0.05)	-	(0.05)
(Gain)/loss from change in financial assumptions	2.33	-	2.33
Experience (gains)/losses	(42.79)	-	(42.79)
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	<b>(40.51)</b>	<b>1.99</b>	<b>(42.50)</b>
Employer contributions	-	49.90	(49.90)
Benefit payments	8.91	8.91	-
Transfer to receivables	-	2.79	2.79
Others	2.62	4.19	1.57
<b>As at 31 March 2021</b>	<b>292.44</b>	<b>216.70</b>	<b>75.72</b>

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at 31 March 2021</b>	<b>292.44</b>	<b>216.70</b>	<b>75.72</b>
Current service cost	47.29	-	47.29
Past service cost	-	-	-
Interest expense/(income)	15.00	12.21	2.79
Total amount recognised in profit and loss	<b>62.29</b>	<b>12.21</b>	<b>50.08</b>
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(1.17)	1.17
(Gain)/loss from change in financial assumptions	(6.53)	-	(6.53)
Experience (gains)/losses	(38.33)	-	(38.33)
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	<b>(44.86)</b>	<b>(1.17)</b>	<b>(43.68)</b>
Employer contributions	6.01	-	6.01
Acquisition/Business Combination/Divestiture	31.25	-	31.25

## Notes forming part of the consolidated financial statements (contd...)

(₹ in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Benefit payments	27.52	27.52	-
<b>As at 31 March 2022</b>	<b>319.62</b>	<b>200.22</b>	<b>119.39</b>

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021	Net amount
Present value of funded obligations	319.62	292.44	281.99
Fair value of plan assets	200.22	216.70	172.65
Deficit of funded plan	119.39	75.72	109.34

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

**Gratuity**

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	6.80%	6.45%
Salary escalation rate	10.00%	10.00%
Attrition rate		
Up to 45 years	15.00%	15.00%
Above 45 years	5.00%	5.00%
Mortality rate	IALM (2012-14) Ult	IALM (2012-14) Ult

The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Particulars	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Discount rate	+/- 1%	+/- 1%	6.99	(22.16)	(6.22)	16.22
Salary escalation rate	+/- 1%	+/- 1%	(3.99)	5.56	3.89	(14.97)

**Notes forming part of the consolidated financial statements (contd...)****Risk Exposure**

These plans typically expose the Group to actuarial risks such as: Longevity risk and salary risk.

**Maturity Analysis**

(₹ in Lakhs)

Particulars	Less than a year	Between 2-5 yrs	Between 6-10 yrs	Over 10 yrs	Total
<b>As at 31 March 2022</b>					
Defined Benefit Obligation	31.67	116.89	124.93	7.00	280.48
<b>Total</b>	<b>31.67</b>	<b>116.89</b>	<b>124.93</b>	<b>7.00</b>	<b>280.48</b>
<b>As at 31 March 2021</b>					
Defined Benefit Obligation	38.29	65.87	74.06	35.17	213.39
<b>Total</b>	<b>38.29</b>	<b>65.87</b>	<b>74.06</b>	<b>35.17</b>	<b>213.39</b>

**20 Other non-financial liabilities**

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Other Payables	1.49	2.34
- Statutory remittances (Contributions to PF, Service Tax, GST etc.)	196.52	171.37
<b>Total</b>	<b>198.01</b>	<b>173.71</b>

**21 Equity Share Capital**

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
(i) Authorized Share Capital 2,00,00,000 Equity Shares (Previous Year 2,00,00,000) of Rs. 10/- each	2,000.00	2,000.00
(ii) Issued 1,31,22,558 Equity shares of Rs. 10/- each	1,312.26	1,312.26
(iii) Subscribed and fully paid 1,29,80,258 Equity Shares (Previous Year 1 29 80 258) of Rs. 10/- each	1,298.03	1,298.03
(iv) Share forfeiture 1,42,300 Equity shares @ Rs.5/- (Previous Year: 1,42,300 Equity Shares)	7.12	7.12

## Notes forming part of the consolidated financial statements (contd...)

## Disclosures:

- a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Opening Balance	1,29,80,258	1,298.03	1,29,80,258	1,298.03
Fresh Issue	-	-	-	-
Buy Back	-	-	-	-
<b>Closing Balance</b>	<b>1,29,80,258</b>	<b>1,298.03</b>	<b>1,29,80,258</b>	<b>1,298.03</b>

- b) Rights, preferences and restrictions attached to equity shares

The Equity shares of the Company having par value of Rs 10/- per share rank paripassu in all respects, including voting rights, dividend entitlement and repayment of capital.

- c) Equity Shares held by each shareholder holding more than 5% equity shares in the Company are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Superstar Exports Pvt. Ltd.	88,58,862	68.25	88,58,862	68.25
Shashikant Jain	11,01,360	8.48	11,01,360	8.48

- d) Objectives, policies and processes for managing capital.

The primary objective of the Group's Capital Management is to maximise shareholders value. The Group manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Group's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business. For the purpose of the Group's capital management, capital includes issued capital and other equity reserves.

- e) Promoters Shareholding

Promoter Name	Shares held by promoters at the end of the year				
	As at 31 March 2022		As at 31 March 2021		As at 31 March 2022
	No of Shares	% of Total Shares	No of Shares	% of Total Shares	% Change (Dec) / Inc
Chandra Prakash Khandelwal	2,75,673	2.12%	2,74,721	2.12%	0.00%
Radhey Shyam Khandelwal	-	0.00%	3,22,437.00	2.48%	-2.48%
Nikhil Khandelwal	4,17,536	3.22%	95,099	0.73%	2.49%
Anju Khandelwal	50,803	0.39%	50,803	0.39%	0.00%
Chandra Prakash Khandelwal HUF	6,496	0.05%	6,496	0.05%	0.00%
Superstar Exports Private Limited	88,62,276	68.28%	88,58,862	68.25%	0.03%
<b>Total</b>	<b>96,12,784</b>	<b>74.06%</b>	<b>96,08,418</b>	<b>74.02%</b>	

## Notes forming part of the consolidated financial statements (contd...)

## 22 Other equity

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Transfer Balances from SOCE and show only Closing Balance		
<b>(i) Reserve Surplus</b>		
Capital Reserve	228.64	228.64
Securities Premium	1,865.02	1,865.02
Reserve Fund ( u/s 45 -IC of the Reserve Bank of India, Act 1934)	517.59	282.25
General reserves	348.19	348.19
Retained Earnings	5,234.03	3,685.17
<b>Total</b>	<b>8,193.47</b>	<b>6,409.27</b>

## Nature and purpose of each reserve

**Capital Reserve**

Capital reserve is created out of Share Warrant forfeited in FY 2008-09

**Securities Premium**

Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

**General Reserve**

General Reserve is created out of Profit and Loss account Surplus Balance generated every year

**Special Reserve (as per the RBI regulations)**

Every non-banking financial company shall create a reserve fund the transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**Retained earnings**

The balance in retained earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.

## 23 Interest income

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
(a) On financial assets measured at amortised cost		
Interest on loans	440.06	573.19
Interest on deposits	1.45	1.95
Other interest income	351.68	228.73
Other interests	8.06	-
<b>Total</b>	<b>801.25</b>	<b>803.87</b>

## 24 Service income

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Financial Advisory Services	2,947.06	846.26
Brokerage income	4,588.53	3,395.98
Service income	144.37	429.03
<b>Total</b>	<b>7,679.95</b>	<b>4,671.27</b>

**Notes forming part of the consolidated financial statements (contd...)**

Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Services transferred at point in time	7,479.95	4,471.27
Services transferred over time	200.00	200.00
<b>Total revenue from contract with customers</b>	<b>7,679.95</b>	<b>4,671.27</b>

**25 Net loss on fair value changes**

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
On financial assets	(452.32)	(13.32)
<b>Total</b>	<b>(452.32)</b>	<b>(13.32)</b>

**26 Other income**

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Excess provision written back	0.02	5.30
Miscellaneous income	126.54	77.66
Support Charges Income	-	(0.00)
Exchange Gain and Loss	0.60	2.23
Derecognition of Lease Asset	0.26	1.03
Debit Credit Written Back	20.84	-
Gain on sale of mutual fund	11.84	0.01
<b>Total</b>	<b>160.10</b>	<b>86.23</b>

**27 Finance costs**

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Interest on borrowings	212.71	242.55
Other borrowing cost	2.27	7.61
Interest on lease liability	0.12	4.16
Interest on Statutory Dues	6.24	2.71
Bank guarantee commission	61.72	37.19
Interest on Subordinated Liability	66.31	60.45
<b>Total</b>	<b>349.38</b>	<b>354.68</b>

**28 Impairment on financial instruments**

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Expected credit loss		
Trade receivables	339.26	184.09
<b>Total</b>	<b>339.26</b>	<b>184.09</b>

## Notes forming part of the consolidated financial statements (contd...)

## 29 Employee Benefit Expenses

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, bonus and allowances	3,233.20	2,585.51
Contribution to provident fund	43.68	33.72
Provision for gratuity	47.92	54.44
Staff welfare expenses	30.20	11.93
<b>Total</b>	<b>3,355.00</b>	<b>2,685.59</b>

## 30 Depreciation, amortisation and impairment

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation and amortisation on property, plant and equipment	66.19	105.00
<b>Total</b>	<b>66.19</b>	<b>105.00</b>

## 31 Other expenses

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Rent, taxes and energy costs	613.50	530.60
Repair and maintenance	110.93	79.76
Communication costs	101.57	120.79
Advertisement and publicity	1.52	1.35
Director's fee, allowances and expenses*	8.89	8.92
Auditor's fees and expenses	3.86	1.50
Legal and professional charges	473.62	311.68
Insurance	7.57	6.75
Provision on Standard Assets	0.92	8.96
Demat charges	36.36	28.89
Travelling and conveyance	124.09	78.32
Business promotion	39.67	24.64
Transaction charges	355.58	205.56
Membership and subscription charges	212.94	179.92
Remisery charges	417.60	322.45
Penalty charges	0.43	1.68
Net loss on sale of long-term investments	(20.29)	1.67
Software Expenses	-	6.36
Bad Debts	5.67	79.63
Cgst and Sgst reversal	0.78	42.87
Brokerage and commission paid	38.23	45.36
Housekeeping Expenses	12.09	-
Miscellaneous expenditure	93.35	48.28
<b>Total</b>	<b>2638.87</b>	<b>2,135.96</b>

\* Includes Reverse Charges



## Notes forming part of the consolidated financial statements (contd...)

## Details of Auditor's fees and expenses

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
- for Audit Fees	3.86	1.50
- for other services	-	-
<b>Total</b>	<b>3.86</b>	<b>1.50</b>

## Repair and Maintenance

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Repairs to Building	14.90	26.13
Other Repairs and Maintenance	96.03	53.63
<b>Total</b>	<b>110.93</b>	<b>79.77</b>

## 32 Tax expenses

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
- Current tax	478.77	24.88
- Earlier year	0.42	(28.42)
	479.19	(3.54)
Deferred tax	106.88	(21.07)
<b>Total</b>	<b>586.06</b>	<b>(24.61)</b>

## Reconciliation of current rate of tax and effective rate of tax:

(₹ in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before income tax	2,335.78	107.03
Enacted tax rates in India (%)	25.17%	25.17%
Computed expected tax expenses	587.92	26.94
Change in opening deferred tax assets due to change in rate		2.07
Permanent difference on which deferred tax assets/liability not created	16.69	15.24
Change in opening deferred tax due to change in rate from 26% to 25.17%	0.96	-
Brought forward loss of previous year adjusted against current year loss and on which no deferred tax assets was created	(470.98)	(34.55)
Reversal of excess provision of earlier years	(1.39)	-
Previous year unabsorbed depreciation utilised during the year on which no DTA was created	-	(50.20)
Loss for the year on which deferred tax assets not created	0.25	26.59
Deferred tax asset not recognised on impairment allowances	91.99	31.10
DTA created on gratuity liability acquired due to transfer of employees	-	(1.34)
Tax expenses for earlier year	(1.81)	(28.42)

**Notes forming part of the consolidated financial statements (contd...)**

(₹ in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Others	362.47	(12.03)
<b>Income Tax expenses - Net</b>	<b>586.06</b>	<b>(24.61)</b>

**Temporary differences, unused tax losses and unused tax credit on which deferred tax assets is not recognised**

(₹ in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Unused tax losses and unabsorbed depreciation for which no deferred tax asset has been created	(1,455.20)	423.34
Impairment allowance for which no deferred tax assets recognised	365.49	123.57
Potential tax benefit @22.88% (P.Y. 26%)	<b>(274.28)</b>	<b>137.66</b>

**33 Earnings per share**

(₹ in Lakhs)

Particular	Year ended 31 March 2022	Year ended 31 March 2021
(i) Basic earnings per share		
Profit attributable to the equity holders of the Company	1,749.71	131.64
Total basic earnings per share attributable to the equity holders of the Company	13.48	1.01
(ii) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	1,29,80,258	1,29,80,258

**34 Contingent liabilities and commitment**

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
(i) <b>Contingent liabilities:</b>		
Income Tax Demand Contested in Appeals	243.34	250.18
Service tax matters	-	47.32

**35 Assets pledged as security**

The following assets are pledged as a security against the borrowings, guarantees and other facilities obtained from the Banks and financial institutions

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Vehicles	81.54	81.54
Bank balance other than cash and cash equivalents	7,739.57	7,706.91

Further, the Group has taken a term loan from yes bank against which residential property owned by Goldflag Exports Private Limited is given as a security.

## Notes forming part of the consolidated financial statements (contd...)

## 36 Related party transactions

## (i) Details of related parties

Description of relationship	Names of related party
<b>Holding Company</b>	Superstar Exports Private Limited
<b>Wholly Owned Subsidiaries</b>	Systematix Fincorp India Limited Systematix Finvest Private Limited Systematix Shares and Stocks (India) Limited Systematix Commodities Services Private Limited Systematix Ventures Private Limited
<b>Presumption of significance influence</b>	Systematix Capital Services Private Limited Ceepeek Real Estate Private Limited Rangsharda Properties Private Limited Shubham Mangalam Real Estate Private Limited Snehvardhini Properties Private Limited Tekpoint Properties Private Limited Funsign Real Estate Private Limited Topcity Trading Company Private Limited Riteplaza Trading Company Private Limited Magicline Trading Company Private Limited Goldflag Exports Private Limited Goldlife Trading Company Private Limited Thirdwave Mercantile Company Private Limited Shiv Shakti Real Estate Private Limited Nikunj Mercantile Private Limited Systematix Assets Management Company Private Limited Wonderdream Realtors Private Limited Systematix Distributions Services Private Limited Perspire Builders and Developers Private Limited Swaraj Appartments Pvt Ltd First Lady Housing Private Limited Sterling DreamWorks Partners LLP Divisha Real Estate Advisors LLP Divisha Realty LLP Divisha developers LLP Divisha Lifestyle LLP Urban Affordable Housing LLP SS Khandelwal & Co.
<b>Key managerial personnel</b>	Nikhil Khandelwal Sunil Sarda CP Khandelwal Priyanka Khandelwal Anil Bhagchandani Spruha Deshpande

## Notes forming part of the consolidated financial statements (contd...)

## (ii) Compensation (remuneration to KMP)

(₹ in Lakhs)

For the year ended 31 March 2021		Short-term employee benefits	Post- employment benefits	Long-term employee benefits	Total
CP Khandelwal	Director	84.00	-	-	84.00
Sunil Sarada	Director	43.77	-	-	43.77
Nikhil Khandelwal	Director	35.00	-	-	35.00
Priyanka Khandelwal	Director	6.60	-	-	6.60
Anil Bhagchandani	CFO	20.01	-	-	20.01
Spruha Deshpande	CS	4.57	-	-	4.57

## (iii) Transactions with related parties

(₹ in Lakhs)

Nature of Transaction	Name	Year ended 31 March 2022	Year ended 31 March 2021
Director Sitting Fees	Anju Khandelwal	2.05	2.00
	Shriram Surajmal Khandelwal	2.95	2.20
	Sanjay khandelwal	1.40	1.85
	Rakesh Mehta	2.30	2.55
Reimbursement for MCA Renewal Fees	Shriram Surajmal Khandelwal	-	0.18
	Sanjay Khandelwal	-	0.18
	Rakesh Mehta	-	0.18
Salary Paid	Rahul Khandelwal	8.64	7.20
	Priyanka Khandelwal	-	6.60
Professional Fees Paid	S.S Khandelwal and Co	-	1.50
Rent Paid	Wonderdream Realtors Private Limited	-	8.75
	Goldflag Exports Private Limited	8.40	8.40
	Thirdwave Mercantile Company Private Limited	12.00	12.00
	Swaraj Appartments Private Limited	1.90	3.00
Electricity & Lightening Charges	Thirdwave Mercantile Company Private Limited	1.20	-
Loan given	Divisha Developers LLP	-	57.03
Loan received back	Divisha Developers LLP	-	359.28
Interest charged on loan	Divisha Developers LLP	-	30.95
Interest on loan received	Divisha Developers LLP	-	45.18
Loan taken	Chandra Prakash Khandelwal	-	56.70
Loan repaid	Chandra Prakash Khandelwal	-	81.70
Trading in Securities (paid)	Systematix Distribution Services Pvt Ltd	2,202.80	906.88
Trading in Securities (received)	Systematix Distribution Services Pvt Ltd	2,202.80	906.88
Trading in Securities (paid)	Systematix Capital Services Pvt Ltd	580.53	-

## Notes forming part of the consolidated financial statements (contd...)

(₹ in Lakhs)

Nature of Transaction	Name	Year ended 31 March 2022	Year ended 31 March 2021
Depository Charges	Systematix Distribution Services Pvt Ltd	0.02	-
Professional Fees Paid	SS Khandelwal & Co.	1.29	-
Professional Fees Paid	Systematix Distribution Services Pvt Ltd	9.00	23.04

## (iv) Outstanding balances

(₹ in Lakhs)

Nature of transactions		As at 31 March 2022	As at 31 March 2021
Outstanding Preference Shares	Superstar Exports Private Limited	2,500.00	2,500.00
Outstanding Equity Shares	Superstar Exports Private Limited	3,855.85	3,855.85
Deposit	Goldflag Exports Pvt Ltd	-	225.00
Investment in Joint Venture	Urban Affordable Housing LLP	30.00	-
Loan Granted	NHI Developers LLP	880.46	-
Corporate Gurantee	Systematix Shares and Stocks (India) Limited	9,400.00	-
Gratuity Payable	Systematix Distribution Services Pvt Ltd	2.56	-

## (v) Terms and conditions:

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

## 37 Leases

The Company has taken a Building on operating lease for using as office space.

## (a) Amount recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>Right to use assets</b>		
Building	-	12.79
<b>Total</b>	-	<b>12.79</b>

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
Lease liabilities	-	14.18
<b>Total</b>	-	<b>14.18</b>

**Notes forming part of the consolidated financial statements (contd...)**

(b) Amount recognised in the statement of profit and loss

Right to use assets

(₹ in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amortization charge- Building	1.06	22.77
Interest expenses	0.12	4.16
<b>Total</b>	<b>1.19</b>	<b>26.93</b>

(c) Maturity analysis of lease liabilities

(₹ in Lakhs)

Particulars	Carrying amount	Less than 12 months	1-5 years	More than 5 years
Lease liabilities	-	-	-	-

**38 Net debt reconciliation :**

This section sets out an analysis of net debt and the movements in net debts for the year ended 31 March 2022

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>Secured</b>		
Term loan - From Banks	0.00	1362.65
Term loan - From Others	767.20	0.00
Loan repayable on demand - From Banks	1,498.69	1,485.58
Vehicle loan	17.52	39.39
Lease Liability	-	14.18
<b>Unsecured</b>		
Subordinated Liabilities	749.95	683.64
<b>Total net debt</b>	<b>3,033.36</b>	<b>3,585.44</b>

## Notes forming part of the consolidated financial statements (contd...)

Particular	(₹ in Lakhs)								
	Term loan - From Banks	Term loan - From Others	Loan re-payable on demand - From Banks	Loan re-payable on demand - From others-Loan against shares	Vehicle loan	Lease Liability	Loan from related Party	Subordinated Liabilities	Total
<b>Net debt as on 1 April 2020</b>	<b>(1,362.65)</b>	<b>(513.38)</b>	<b>(36.55)</b>	<b>(49.69)</b>	<b>(67.45)</b>	<b>(64.68)</b>	<b>(25.00)</b>	<b>(623.19)</b>	<b>(2,742.58)</b>
Addition during the year	(250.19)	(492.42)	(4,51,542.03)	-	-	-	(56.70)	-	(4,52,341.34)
Notional interest cost using EIR method	-	-	-	-	-	(4.16)	-	(60.45)	(64.61)
Disposal of Lease Asset	-	-	-	-	-	30.21	-	-	30.21
Interest cost using EIR method	(144.66)	(41.11)	(14.78)	-	(4.08)	-	-	-	(204.63)
Other charges	-	-	-	-	-	-	-	-	-
Amortization of upfront fees	(0.57)	-	-	-	-	-	-	-	-
Repayment	199.52	1,046.91	4,50,353.35	-	32.14	24.45	81.70	-	4,51,738.07
<b>Net debt as on 31 March 2021</b>	<b>(1,558.55)</b>	<b>(0.00)</b>	<b>(1,240.01)</b>	<b>(49.69)</b>	<b>(39.39)</b>	<b>(14.18)</b>	<b>-</b>	<b>(683.64)</b>	<b>(3,585.44)</b>
Addition during the year		(750.00)							(750.00)
Notional interest cost using EIR method		(17.20)			(2.23)	0.12		(66.31)	(85.62)
Interest cost using EIR method	(126.93)								(126.93)
Disposal of Lease Asset									-
Other charges	(0.54)								-
Amortization of upfront fees	252.31		1,199.79	24.91	24.10	14.05			(0.54)
Repayment									1,515.16
<b>Net debt as on 31 March 2022</b>	<b>(1,433.70)</b>	<b>(767.20)</b>	<b>(40.23)</b>	<b>(24.78)</b>	<b>(17.52)</b>	<b>(0.00)</b>	<b>-</b>	<b>(749.95)</b>	<b>(3,033.36)</b>

## Notes forming part of the consolidated financial statements (contd...)

**39 Segment information**

The Group's chief operating decision maker is the Managing Director (MD) of the Company who examines the Group's performance both from a services and geographic perspective and has identified three reportable segment of its business as follows:

- A Merchant Banking and Related Activities
- B Financing and Other Activities
- C Equity, Commodity, Currency and Other Transactional Services

The MD primarily uses a measure of profit before tax and interest to assess the performance of the operating segments. However, the MD also receives information about the segments' revenue and assets on a monthly basis.

**(i) Segment profit or loss**

(₹ in Lakhs)

Particular	As at 31 March 2022	As at 31 March 2021
<b>Profit before tax and interest</b>		
Merchant Banking and Related Activities	1,673.33	224.72
Financing and Other Activities	10.31	21.79
Equity, Commodity, Currency and Other Transactional Services	1,001.51	215.20
<b>Total profit before tax and interest</b>	<b>2,685.16</b>	<b>461.71</b>
<b>Add/less: Adjustments</b>		
Interest cost	(349.38)	(354.68)
Tax (expenses)/income	(586.06)	24.61
<b>Total consolidated profit after tax</b>	<b>1,749.71</b>	<b>131.65</b>

**(ii) Segment revenue**

(₹ in Lakhs)

As at 31 March 2022	Total segment revenue	Inter- segment revenue	Revenue from external customer
Merchant Banking and Related Activities	3,066.01	63.86	3,002.15
Financing and Other Activities	499.46	26.70	472.76
Equity, Commodity, Currency and Other Transactional Services	5,618.74	0.02	5,618.72
<b>Total segment revenue</b>	<b>9,184.21</b>	<b>90.58</b>	<b>9,093.63</b>

(₹ in Lakhs)

As at 31 March 2021	Total segment revenue	Inter- segment revenue	Revenue from external customer
Merchant Banking and Related Activities	1,020.43	83.06	937.37
Financing and Other Activities	647.54	86.02	561.53
Equity, Commodity, Currency and Other Transactional Services	4,225.92	150.11	4,075.80
<b>Total</b>	<b>5,893.89</b>	<b>319.20</b>	<b>5,574.70</b>



## Notes forming part of the consolidated financial statements (contd...)

## (iii) Segment assets

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Merchant Banking and Related Activities	8,890.84	8,145.86
Financing and Other Activities	4,635.13	4,882.97
Equity, Commodity, Currency and Other Transactional Services	16,617.16	11,567.66
<b>Total segment assets</b>	<b>30,143.14</b>	<b>24,596.49</b>
<b>Add/less: Adjustments</b>		
Inter segment assets	(7,912.12)	(7,497.29)
<b>Total assets</b>	<b>22,231.01</b>	<b>17,099.20</b>

## (iii) Segment liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Merchant Banking and Related Activities	2,397.16	2,319.66
Financing and Other Activities	970.23	1,213.12
Equity, Commodity, Currency and Other Transactional Services	9,794.68	6,896.36
<b>Total segment liabilities</b>	<b>13,162.06</b>	<b>10,429.14</b>
<b>Add/less: Adjustments</b>		
Inter segment assets	(120.19)	(1,044.35)
<b>Total liabilities</b>	<b>13,041.87</b>	<b>9,384.79</b>

## 40 Financial instruments

## (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2022 is as follows:

(₹ in Lakhs)

Particulars	Carrying value		Fair value			
	Amortised cost	FVTPL	Level - 1	Level - 2	Level - 3	Total
<b>I. Financial assets</b>						
Cash and cash equivalents	1,384.27	-	-	-	1,384.27	<b>1,384.27</b>
Bank balances other than above	7,840.07	-	-	-	7,840.07	<b>7,840.07</b>
Receivables						
(i) Trade receivables	4,061.58	-	-	-	4,061.58	<b>4,061.58</b>
Loans	4,001.32	-	-	-	4,001.32	<b>4,001.32</b>
Investments	200.00	2,078.75	2,078.75	-	200.00	<b>2,278.75</b>
Other financial assets	1,780.82	-	-	-	1,780.82	<b>1,780.82</b>
<b>Total financial assets</b>	<b>19,268.05</b>	<b>2,078.75</b>	<b>2,078.75</b>	-	<b>19,268.05</b>	<b>21,346.80</b>

## Notes forming part of the consolidated financial statements (contd...)

(₹ in Lakhs)

Particulars	Carrying value		Fair value			
	Amortised cost	FVTPL	Level - 1	Level - 2	Level - 3	Total
<b>Financial Liabilities</b>						
Payable						
(i) Trade payable						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of other than micro enterprises and small enterprises	9,584.43	-	-	-	9,584.43	<b>9,584.43</b>
(ii) Other payable						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of other than micro enterprises and small enterprises	0.69	-	-	-	0.69	<b>0.69</b>
Borrowings (other than debt securities)	2,283.41	-	-	-	2,283.41	<b>2,283.41</b>
Subordinated Liabilities	749.95	-	-	-	749.95	<b>749.95</b>
Other financial liabilities	148.47	-	-	-	148.47	148.47
<b>Total financial liabilities</b>	<b>12,766.94</b>	-	-	-	<b>12,766.94</b>	<b>12,766.94</b>

The carrying value and fair value of financial instruments by categories as on 31 March 2021 is as follows:

(₹ in Lakhs)

Particulars	Carrying value		Fair value			
	Amortised cost	FVTPL	Level - 1	Level - 2	Level - 3	Total
<b>I. Financial assets</b>						
Cash and cash equivalents	1,363.38	-	-	-	1,363.38	<b>1,363.38</b>
Bank balances other than above	5,204.41	-	-	-	5,204.41	<b>5,204.41</b>
Receivables						
(i) Trade receivables	1,021.68	-	-	-	1,021.68	<b>1,021.68</b>
Loans	3,720.58	-	-	-	3,720.58	<b>3,720.58</b>
Investments	205.60	335.56	335.56	-	205.60	<b>541.16</b>
Other financial assets	3,946.74	-	-	-	3,946.74	<b>3,946.74</b>
<b>Total financial assets</b>	<b>15,462.39</b>	<b>335.56</b>	<b>335.56</b>	-	<b>15,462.39</b>	<b>15,797.95</b>

## Notes forming part of the consolidated financial statements (contd...)

(₹ in Lakhs)

Particulars	Carrying value		Fair value			
	Amortised cost	FVTPL	Level - 1	Level - 2	Level - 3	Total
<b>Financial Liabilities</b>						
Payable						
(i) Trade payable						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of other than micro enterprises and small enterprises	9,584.43	-	-	-	9,584.43	<b>9,584.43</b>
(ii) Other payable						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of other than micro enterprises and small enterprises	0.69	-	-	-	0.69	<b>0.69</b>
Borrowings (other than debt securities)	2,283.41	-	-	-	2,283.41	<b>2,283.41</b>
Subordinated Liabilities	749.95	-	-	-	749.95	<b>749.95</b>
Other financial liabilities	148.47	-	-	-	148.47	<b>148.47</b>
<b>Total financial liabilities</b>	<b>12,766.94</b>	-	-	-	<b>12,766.94</b>	<b>12,766.94</b>

## (ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is given below:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

There were no transfers between any levels during the year

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as

**Notes forming part of the consolidated financial statements (contd...)**

possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and debentures which are included in level 3.

During the year there were no transfers between level 1 and level 2. Similarly there were no transfer from or transfer to level 3.

**41 Financial risk management**

The Group's business activities expose it to a variety of financial risks, namely credit risk and liquidity risk.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or borrower or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, borrowers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients and borrowers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

The Group has exposure to credit risk from a loan given and credit provided to borrowers. however credits provided to borrower are secured against the pledge of the securities. The Group, based on the credit information available with its, has provided expected credit loss.

**Expected credit loss**

Particulars	Amount
Year ended 31 March 2022	73.77
Year ended 31 March 2021	114.36

**(ii) Management of liquidity risk:**

Liquidity risk is the risk that the Group will fail in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Group's credit rating and impair investor confidence.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

(₹ in Lakhs)

Particulars	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
<b>As at 31 March 2022</b>					
Payable	9,585.12	9,585.12	-	-	9,585.12
Borrowings (other than debt securities)	2,283.41	1,014.66	683.03	585.72	2,283.41
Subordinated Liabilities	749.95	-	-	2,500.00	2,500.00
Other financial liabilities	148.47	26.86	121.61		148.47
<b>Total</b>	<b>12,766.94</b>	<b>10,626.63</b>	<b>804.63</b>	<b>3,085.72</b>	<b>14,516.99</b>

## Notes forming part of the consolidated financial statements (contd...)

(₹ in Lakhs)

Particulars	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
<b>As at 31 March 2021</b>					
Payable	5,386.41	5,386.41	-	-	5,386.41
Borrowings (other than debt securities)	2,887.62	8,105.85	1,205.70	2,943.24	12,254.79
Subordinated Liabilities	683.64	-	-	2,500.00	2,500.00
Lease liabilities	14.18	380.26	6.70	-	386.96
Other financial liabilities	154.54	110.64	-	117.70	228.34
<b>Total</b>	<b>9,126.39</b>	<b>13,983.15</b>	<b>1,212.40</b>	<b>5,560.94</b>	<b>20,756.49</b>

## (iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include borrowings and investments measured at FVTPL.

## (a) Interest rate risk

Exposure at the year end is as follow:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	1,433.70	1,356.05
Fixed rate borrowings	849.71	1,531.57
Total borrowings	2,283.41	2,887.62

An analysis by maturities is provided in Liquidity risk note above.

## Sensitivity

Profit or loss is sensitive to higher / lower interest expense as a result of changes in interest rates. A 20 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, the Group's profit before tax will be impacted by a change in interest rate as follows:

(₹ in Lakhs)

Particulars	Increase / (Decrease) in profit before tax	
	Year ended 31 March 2022	Year ended 31 March 2021
Increase in interest rate by 20 basis points (20 bps)	(2.87)	(2.71)
Decrease in interest rate by 20 basis points (20 bps)	2.87	2.71

**Notes forming part of the consolidated financial statements (contd...)****(b) Price risk**

Exposure at the year end is as follow:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in mutual funds (Fair Value through profit and loss)	10.25	191.28
Equity instruments (Fair Value through profit and loss)	2,068.50	144.28
<b>Total</b>	<b>2,068.50</b>	<b>144.28</b>

**Sensitivity**

Profit or loss is sensitive to fair value change in investment value as a change in market price. A 10 percentage increase or decrease is used when reporting price risk internally to key management personnel and represents management's assessment of the reasonably possible change in price risk. With all other variables held constant, the Group's profit before tax will be impacted by a change in price as follows:

(₹ in Lakhs)

Particulars	Increase / (Decrease) in profit before tax	
	Year ended 31 March 2022	Year ended 31 March 2021
Increase in price by 10%	206.85	14.43
Decrease in price by 10%	(206.85)	(14.43)

**42 Capital management****(i) Risk management**

Equity share capital, other equity and secured borrowings from the banks are considered for the purpose of Group's capital management. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Group Companies is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may borrow from external parties such as banks or financial institutions. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain shareholder, creditor and stakeholder confidence to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**43 Events Occuring After The Balance Sheet Date:**

Dividend Proposed to be distributed:

(₹ in Lakhs)

Particular's	Year ended 31 March 2022	Year ended 31 March 2021
<b>Corporate Dividend for Equity Shareholders Proposed for the year</b>		
Final Dividend Proposed	129.80	-
Dividend Proposed Per Fully Paid Up Share	1.00	-

The Board of Directors at its meeting held on 29th April , 2022 have recommended a payment of final dividend of Rs.1/- (1 Rupees only) per equity share of face value of Rs.10/- each for the financial year ended 31st March, 2022

## Notes forming part of the consolidated financial statements (contd...)

## 44 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries and Joint Ventures (Continued)

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of total comprehensive income	Amount (₹ in Lakhs)
<b>As at 31 March 2022</b>								
<b>Parent</b>								
Systematix Corporate Services Limited	(14.93)	(1,418.44)	66.08	1,156.16	34.09	11.75	64.14	1,144.41
<b>Subsidiaries</b>								
<b>Indian</b>								
Systematix Fincorp India Limited	23.22	2,205.86	(10.21)	(178.73)	5.77	1.99	(10.13)	(180.72)
Systematix Finvest Private Limited	16.63	1,579.25	7.16	125.27	5.80	2.00	6.91	123.28
Systematix Shares and Stocks (India) Limited	69.21	6,573.92	36.33	635.66	54.34	18.73	34.58	616.93
Systematix Commodities Services Private Limited	2.49	236.51	0.69	12.03	-	-	0.67	12.03
Systematix Ventures Private Limited	0.13	12.05	(0.04)	(0.69)	-	-	(0.04)	(0.69)
Consolidation related adjustments	3.26	309.46	-	-	-	-	-	-
<b>Total</b>	100.00	9,498.62	100.00	1,749.71	100.00	34.47	96.14	1,715.24

Notes forming part of the consolidated financial statements (contd...)

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of total comprehensive income	Amount (₹ in Lakhs)
<b>As at 31 March 2021</b>								
<b>Parent</b>								
Systematix Corporate Services Limited	(16.71)	(1,289.35)	16.21	21.34	8.67	2.74	14.76	24.08
<b>Subsidiaries</b>								
<b>Indian</b>								
Systematix Fincorp India Limited	25.15	1,940.23	(201.62)	(265.41)	9.86	3.11	(160.73)	(262.30)
Systematix Finvest Private Limited	30.45	2,348.99	180.01	236.97	18.60	5.87	148.80	242.84
Systematix Shares and Stocks (India) Limited	53.94	4,160.89	121.01	159.31	62.87	19.84	109.77	179.14
Systematix Commodities Services Private Limited	3.00	231.44	(15.15)	(19.95)	-	-	(12.22)	(19.95)
Systematix Ventures Private Limited	0.17	12.74	(0.46)	(0.61)	-	-	(0.37)	(0.61)
Consolidation related adjustments	4.01	309.46	-	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>7,714.42</b>	<b>100.00</b>	<b>131.64</b>	<b>100.00</b>	<b>31.55</b>	<b>100.00</b>	<b>163.19</b>



**Notes forming part of the consolidated financial statements (contd...)****45 Relationship with Struck off Companies**

The company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 as on 31st March, 2022.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period (₹ in Lakhs)	Relationship with the struck off company, if any, to be disclosed
SHAKTI STOCK BROKING PVT.LTD.	Shares held by struck off company	0.01	Not Applicable
SEAWIND HOLDING PVT. LTD.	Shares held by struck off company	0.22	Not Applicable

**46 Registration of charges or satisfaction**

There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period i.e. 31st March, 2022.

**47 Wilful Defaulter**

The company is not declared wilful defaulter by any bank or financial Institution or other lender as on 31st March, 2022.

**48 Disclosure related to funds borrowed from banks and financial institutions**

The Company has borrowings from banks or financial institutions on the basis of security of current assets

- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- There is no Material Discrepancies in books of accounts and Quarterly Return or Statement filed by the company

**49 Corporate Social Responsibility (CSR)**

The company is not covered under section 135 of the companies act, 2013 as on 31st March, 2022.

**50 Utilisation of Borrowed funds and share premium**

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding regarding utilisation of borrowed funds and share premium.

**51 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year as on 31st March, 2022.

In terms of our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN NO:109463W

**Narottam Shah**  
Partner  
M NO.106355

Mumbai  
29 April 2022

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

**Chandra Prakash Khandelwal**  
Managing Director  
DIN: 00016373

**Spruha Deshpande**      **Anil Bhagchandani**  
Company Secretary      Chief Financial Officer

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**SYSTEMATIX CORPORATE SERVICES LIMITED**

- CIN - L91990MP1985PLC002969
- **Registered Office: 206-207, Bansi Trade Centre,  
581/5, M.G. Road, Indore- 402001, Madhya Pradesh**
- **Tel : 0731- 4068253**
- **Email : [secretarial@systematixgroup.in](mailto:secretarial@systematixgroup.in)**
- **Website: [www.systematixgroup.in](http://www.systematixgroup.in)**