

# **KHATOD INVESTMENTS & FINANCECO LTD**



**32<sup>ND</sup> ANNUAL REPORT  
2021-22**

## CORPORATE INFORMATION

### ***Board of Directors***

Mrs. Manisha Pincha  
Whole-time Director

Mr. Manish Kumar Jain  
Independent Director

Mr. Pradeep Kumar Hirawat  
Independent Director

Mr. Shambhu Choubey  
Non-Executive and  
Non Independent Director

### ***Chief Financial Officer***

Mr. Krishna Gopal Halder

### ***Company Secretary & Compliance Officer***

Ms. Sweta Singh  
(appointed w.e.f. 19.06.2021)  
(resigned w.e.f. 27.01.2022)

Ms. Anushree Chowdhury  
(appointed w.e.f. 30.05.2022)

### ***Bankers***

Punjab National Bank

### ***Statutory Auditors***

M/s. VKR & Associates  
Chartered Accountants  
Martin Burn House,  
Room No. 312, 3<sup>rd</sup> Floor,  
1, R. N. Mukherjee Road,  
Kolkata - 700001  
(resigned w.e.f. 03.11.2021)

M/s, Komandoor & Co LLP  
Chartered Accountants  
7/1A Grant Lane, Near Lal Bazar  
Kolkata -700012, West Bengal; and  
HO at: Flat No. I-504, Divya Shakti Complex  
7-1-58, Dharma Karan Road, Ameerpet  
Hyderabad-500016  
(appointed w.e.f. 03.11.2021)

### ***Registrar & Transfer Agent***

M/s Niche Technologies Private Limited  
3A, Auckland Place, 7<sup>th</sup> Floor  
Room No. 7A & 7B, Kolkata - 700017  
Phone No. 033-22806616/6617/6618  
Fax No. 033-22806619  
E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)  
Website: <https://www.nichetechpl.com>

### ***Registered Office***

1, Ramesh Mitra Road  
Third Floor,  
Kolkata - 700025  
Phone No.: 033-44500500; 9007077041

**CIN:** L65993WB1990PLC084695

**Email:** [khatodinv@gmail.com](mailto:khatodinv@gmail.com)

**Website:** [www.khatodinv.com](http://www.khatodinv.com)

### ***Internal Auditor***

Mr. Krishan Kumar Bengani  
Chartered Accountants  
Room No. 2, 2<sup>nd</sup> Floor,  
11, Clive Road  
Kolkata - 700001

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## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty-Second (32<sup>nd</sup>) Directors' Report together with the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March 2022.

### FINANCIALS

*(Rs. in lakhs)*

Particulars	Current Year ended 31.03.2022	Previous Year ended 31.03.2021
Revenue from operations	3.75	4.74
Other Income	0.11	40.17
<b>Total Income</b>	<b>3.86</b>	<b>44.91</b>
Less: Expenditure	16.00	16.16
<b>Profit /(Loss) before Interest, Depreciation &amp; Tax</b>	<b>(12.14)</b>	<b>28.75</b>
Less: Interest	-	-
Less: Depreciation	-	-
<b>Profit before Taxation</b>	<b>(12.14)</b>	<b>28.75</b>
Less: Provision for current tax, deferred tax and tax adjusted for earlier year	1.75	6
<b>Profit/ (Loss) after Tax</b>	<b>(13.89)</b>	<b>22.75</b>
<b>Other Comprehensive Income</b>	<b>1084.94</b>	<b>317.48</b>
<b>Total Comprehensive Income for the year</b>	<b>1071.04</b>	<b>340.23</b>

### PERFORMANCE REVIEW

The Company posted a net loss of Rs. 13.89 lakhs for the year ended 31<sup>st</sup> March, 2022 against a net profit of Rs. 22.75 lakhs in the previous year. The total revenue stands at Rs. 3.86 lakhs for the year ended 31<sup>st</sup> March, 2022 and Rs. 44.91 lakhs for the year ended 31<sup>st</sup> March, 2021. The Company's plans for securing the growth is under way and appropriate action will be taken in future at appropriate time for future development.

### TRANSFER TO RESERVE

Due to loss incurred during the year, the Company has not transferred any amount to special reserve account as per the requirements of Reserve Bank of India. Apart from the loss, your Company has not proposed any transfer to its Reserves.

### CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year 2021-22.

### CHANGE IN REGISTERED OFFICE OF THE COMPANY

During the year under review, the Company's registered office address was changed from "Bikaner Building, 1<sup>st</sup> Floor, Room No. 10, 8/1, Lal Bazar Street, Kolkata-700001" to "1, Ramesh Mitra Road, Third Floor, Kolkata- 700 025" with effect from 10<sup>th</sup> August, 2021.

## **DIVIDEND**

Due to loss incurred by the Company during the year, your Directors do not recommend any dividend for the year under review 2021-22.

## **MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (i.e., 31.03.2022) and the date of the report (i.e., 30.05.2022).

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your Company does not have any subsidiary, joint venture or associate Company.

## **SHARE CAPITAL**

The paid up equity share capital as at 31<sup>st</sup> March 2022 stood at Rs. 3,00,22,000/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31<sup>st</sup> March 2022, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

## **DIRECTORS RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement, setting out compliance with the accounting and financial reporting requirements specified under Section 134(3)(c) of the Companies Act, 2013 (the 'Act'), in respect of the financial statement, is furnished below and on behalf of the Board of Directors, it is hereby confirmed that:

1. In the preparation of the financial statement for the financial year 31<sup>st</sup> March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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 at the end of the financial year 31<sup>st</sup> March, 2022 and of the profit and loss of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the financial statement on a going concern basis;
5. The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board comprises of an optimum mix of executive and non-executive directors including independent directors and a woman director. The Board's composition and size is in compliance with the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements), 2015 ('Listing Regulations'). None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The details of Directors of the Company and the remuneration drawn by them are given in the Annual Return which will be available on the website of the Company i.e., [www.khatodinv.com](http://www.khatodinv.com).

### **a) Retirement by rotation**

In accordance with the Articles of Association of the Company and Section 152 of the Act, Mr. Shambhu Choubey (DIN: 06565599) shall retire by rotation at the ensuing 32<sup>nd</sup> Annual General Meeting of the Company and being eligible has offered himself for re-appointment. The Board recommends his re-appointment. A brief resume of the Director being re-appointed as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings forms a part of the Notice convening the ensuing 32<sup>nd</sup> Annual General Meeting.

### **b) Company Secretary & Compliance Officer**

Ms. Sweta Singh was appointed as the Company Secretary & Compliance Officer of the Company with effect from 19<sup>th</sup> June, 2021. She was also designated as the Key Managerial Personnel (KMP) of the Company with effect from 19<sup>th</sup> June, 2021. Further, she resigned from the said post and from the Company with effect from close of business of 27<sup>th</sup> January, 2022 due to some personal reasons.

Subsequently, Ms. Anushree Chowdhury was appointed as the Company Secretary & Compliance Officer of the Company with effect from 30<sup>th</sup> May, 2022 and also designated as the KMP of the Company.

As on the date of this report, the following are the designated Key Managerial Personnel of the Company:

1. Mrs. Manisha Pincha - Whole-time Director
2. Mr. Krishna Gopal Halder - Chief Financial Officer
3. Ms. Anushree Chowdhury- Company Secretary & Compliance Officer

### **c) Statement on Declaration given by Independent Directors Under Section 149(7) of Companies Act, 2013 and Regulation 16 of the Listing Regulations**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act, read with the Rules made thereunder and Regulation 16 of the Listing Regulations. The Independent Directors of the Company have also complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

#### **d) Familiarization Programme Undertaken For Independent Directors**

In compliance with Regulation 25(7) of the Listing Regulations, the Independent Directors are familiarized with the Company, their roles, rights, responsibilities therein, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization programme imparted to the Independent Directors during the year with details required as per Regulation 46 of the Listing Regulations is available on the Company's website at the link:<http://www.khatodinv.com/policies-codes.php>.

#### **MEETINGS OF THE BOARD OF DIRECTORS**

The Board met six times during the year under review on 19<sup>th</sup> June, 2021; 30<sup>th</sup> June, 2021; 10<sup>th</sup> August, 2021; 3<sup>rd</sup> November, 2021; 13<sup>th</sup> November, 2021 and 12<sup>th</sup> February, 2022 in compliance with the Act and the Listing Regulations. The intervening gap between the meetings is well within the period prescribed under the Act except for the first Board Meeting for the financial year 2021-22.

SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19<sup>th</sup> March, 2020, read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26<sup>th</sup> June, 2020 and Circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated 29<sup>th</sup> April, 2021 has extended the timeline, for complying with the provisions related to Annual Financial Results from 30<sup>th</sup> May, 2021 to 30<sup>th</sup> June, 2021, accordingly the Meeting where financial results were signed was held in the month of June, 2021.

The detailed information of the Meetings of the Board, are given in the Corporate Governance Report, which forms part of this Annual Report.

#### **COMMITTEES**

##### **Audit Committee**

The composition and terms of reference of the Audit Committee is in accordance with the provisions of the Act and the Listing Regulations. The same along with the details of the Committee Meetings has been furnished in the Corporate Governance Report forming a part of the Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

##### **Nomination and Remuneration Committee**

The composition and terms of reference of the Nomination and Remuneration Committee is in accordance with the provisions of the Act and the Listing Regulations. The same along with the details of the Committee Meetings has been furnished in the Corporate Governance Report forming a part of the Annual Report.

##### **Stakeholders' Relationship Committee**

The composition and terms of reference of the Stakeholders Relationship Committee is in accordance with the provisions of the Act and the Listing Regulations. The same along with the details of the Committee Meetings has been furnished in the Corporate Governance Report forming a part of the Annual Report.

## **NOMINATION AND REMUNERATION POLICY OF THE COMPANY**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Act is available on the Company's website at the link:[http://www.khatodinv.com/pdf/polcies-codes/Nomination Remuneration Policy.pdf](http://www.khatodinv.com/pdf/polcies-codes/Nomination%20Remuneration%20Policy.pdf)

## **FORMAL ANNUAL EVALUATION**

Pursuant to the provisions of the Act and the Listing Regulations, the Nomination and Remuneration Committee and the Board has made the annual evaluation of the performance of the Board, its Committees and of individual Directors. The evaluation was done on the basis of structured feedback forms which included parameters such as level of engagement and contribution, independence of judgments, maintenance of integrity, confidentiality, etc. Further, in the separate meeting of Independent Directors held during the year under review, the performance of Non-Independent Directors, performance of the Board as a whole and the performance of the Chairperson was evaluated, and the quality, quantity, and timeliness of flow of information between the Company's Management and the Board was assessed.

The Directors expressed their satisfaction with the overall evaluation process.

## **WEB ADDRESS FOR ANNUAL RETURN REFERRED TO IN SECTION 92(3) SHALL BE PUBLISHED:**

The copy of Annual Return for the year under review will be available on the website of the Company: [www.khatodinv.com](http://www.khatodinv.com) under the investor relations category.

## **INTERNAL FINANCIAL CONTROL SYSTEMS**

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. In the opinion of the Board, the existing internal control framework is adequate and commensurate to the size and nature of the business of the Company. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **RISK MANAGEMENT POLICY**

The Board of Directors of the Company has formulated a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures. The Audit Committee oversees the risk management and mitigation which is reviewed by the Board periodically at its meetings. During the year under review, no major risks were noticed, which may threaten the existence of the Company.



### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

Pursuant to Section 186(11) of the Companies Act, 2013 loans made, guarantees given, securities provided or acquisition of securities by a Non-Banking Financial Company registered with Reserve Bank of India, in the ordinary course of its business are exempted and thereafter no such disclosure is required to be given in the Annual Report.

### **PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered by the Company during the financial year under review with the related parties were in the ordinary course of business. The details of related party transactions are disclosed and set out in the notes to the financial statements forming part of the Annual Report.

The Policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.khatodinv.com/policies-codes.php>.

### **DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

There were no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure - 1**.

### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013**

The Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder, for prevention and redressal of complaints of sexual harassment at workplace. The Internal Complaints Committee, which has been constituted as per the aforesaid policy, reports to the Audit Committee of the Board of Directors of the Company on the complaints received and action taken by it during the financial year. It may be noted that, during the year, no complaint was lodged with the Internal Complaints Committee.

### **POLICY ON PREVENTION OF INSIDER TRADING**

Your Company has adopted a Code of Practice & Procedure for fair disclosure as envisaged under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in equity shares of the Company by the Directors and designated employees of the Company. The said code of conduct is available on the website of the Company at the following link: <http://www.khatodinv.com/policies-codes.php>

### **VIGIL MECHANISM**

Pursuant to the provisions of the Act and the Listing Regulations, the Company has formulated a Vigilance Mechanism/Whistle Blower Policy to provide a mechanism for Directors and Employees of the Company to report genuine concerns. The Whistle Blowers may approach the Vigilance Officer and the Vigilance Officer shall place the report/status of complaints received and resolved, if any, to the members of Audit Committee. Further, the aggrieved person can have direct access to the Chairman of Audit Committee. The Whistle Blower Policy also provides for adequate safeguards against victimization of persons who use such mechanism and is also available on the Company's website at the link: <http://www.khatodinv.com/policies-codes.php>

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of Listing Regulations is presented in separate section and is annexed to this report as **Annexure - 4**.

### **CORPORATE GOVERNANCE**

A detailed report on Corporate Governance together with a certificate of compliance from a Practicing Company Secretary, as required under the Listing Regulations, is presented in a separate section and is annexed to this report as **Annexure - 5 and Annexure - 5C**, respectively.

### **CEO-CFO CERTIFICATION**

The CEO-CFO certificate on the adequacy and correctness of financial statements of the Company as required under Regulation 17(8) of Listing Regulations is annexed to the Corporate Governance Report as **Annexure - 5B**.

### **HUMAN RESOURCES**

Your Company believes in best HR practices by providing its employees a world class working environment, giving them equal opportunities to rise and grow. We continue to implement the best of HR policies so as to ensure that talent retention is ensured at all levels. Employee relations continued to be cordial and harmonious at all levels and in all divisions of the Company during the year.

### **HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION**

Your Company has complied with all the applicable laws. The Company has been complying with relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety. In order to support the "Green Initiative in the Corporate Governance" by the Ministry of Corporate Affairs, the Annual Report for the FY 2021-22 and the Notice of the 32<sup>nd</sup> AGM of the Company are being sent through electronic mode to all such Members whose email IDs/addresses are registered with the Company/Depository Participants/Company's Registrar & Share Transfer Agent.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 the Company has not developed

and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

### **STATUTORY AUDITORS**

Your Company at its 27<sup>th</sup> Annual General Meeting had appointed M/s. VKR & Associates, Chartered Accountants (Firm Registration No. 320323E), as Statutory Auditors of the Company, for a period of 5 years beginning from the conclusion of 27<sup>th</sup> Annual General Meeting until the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditor, plus taxes, as applicable and reimbursement of out-of-pocket expenses.

Further, due to the expiry of the validity of the peer review certificate, M/s. VKR & Associates resigned with effect from 3<sup>rd</sup> November, 2021.

Subsequently, M/s. Komandoor & Co. LLP, Chartered Accountants (FRN:001420S/S200034) were appointed as the Statutory Auditor of the Company, as approved by the Board at its meeting held on 3<sup>rd</sup> November, 2021 and by way of Postal Ballot dated 4<sup>th</sup> February, 2022 to hold the office till the conclusion of the ensuing Annual General Meeting to be held in the calendar year 2022, to fill the casual vacancy caused due to resignation of M/s. VKR & Associates, Chartered Accountants (Firm Registration No. 320323E) at a remuneration as decided by the Board and/Audit Committee and Auditors.

### **AUDITOR'S REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. Komandoor & Co. LLP, Statutory Auditors, in their report for the financial year ended 31<sup>st</sup> March, 2022. Pursuant to provisions of Section 143(12) of the Act, the Statutory Auditors have not reported any incident of fraud during the year under review.

### **INTERNAL AUDITORS**

Pursuant to Section 138 of the Act, the Company had appointed Mr. Krishan Kumar Bengani, Chartered Accountant, as the Internal Auditors of the Company to carry out the internal audit of the Company. The Internal Auditor reports to the Audit Committee of the Board and the Internal Audit report is also placed at the meetings of the Audit Committee for review.

### **SECRETARIAL AUDITOR AND REPORTS**

Pursuant to Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed Ms. Prachi Todi, Practising Company Secretary, to conduct the secretarial audit of the Company for the financial year 2021-22. The Secretarial Audit report for the financial year 2021-22 is annexed to this report as **Annexure - 2A**. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in her report, except for the following:

Sl No.	Remarks/Observations of Secretarial Auditor	Company's Reply
1	The Company has filed its Return DNBS-13 for the quarter ended 30 <sup>th</sup> June, 2021 on 30 <sup>th</sup> December, 2021, for the quarter ended 30 <sup>th</sup> September, 2021 on 30 <sup>th</sup> December, 2021 and for the quarter ended 31 <sup>st</sup> December, 2021 on 26 <sup>th</sup> April, 2022, i.e., beyond the stipulated time period of fifteen (15) days from the end of each quarter;	Due to some technical issues faced by the Company on the portal, the form filings were delayed. However, the Board has taken note of it and will ensure proper and timely compliance of same from now onwards.
2	The Company has filed its Return DNBS-02 for the Financial Year ending 31 <sup>st</sup> March, 2021 on 06 <sup>th</sup> November, 2021, i.e., beyond the stipulated time period of sixty (60) days from the end of the financial year.	The filing was delayed as the Company's financial statement was not audited within 60 days from the end of the financial year. However, the Board has taken note of it and will ensure proper and timely compliance of same from now onwards.

#### **PUBLIC DEPOSIT**

Being a Non-Banking Financial Company, the disclosures required as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Act are not applicable to your Company. However, the Company has not accepted any deposits during the year under review.

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

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act, read with rule 8 of the Companies (Accounts) Rules, 2014 are given in **Annexure - 3** and forms part of this report.

#### **RBI GUIDELINES**

Your Company is complying with all the requirements of Reserve Bank of India for Non-Banking Finance Company. In terms of paragraph 9BB of the NBFC Regulations, the particulars as applicable to the Company are appended to the Financial Statements.

#### **STATEMENT ON COMPLIANCES OF THE APPLICABLE SECRETARIAL STANDARDS**

The Directors of your Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

#### **COST AUDIT**

Cost Audit is not applicable to your Company as per the provisions of Section 148 of the Act.

### **COVID-19 PANDEMIC AND ITS IMPACT**

The global outbreak of Corona Virus Disease has not only impacted our Company but the whole nation. To reduce the spread of COVID-19, the Company has taken utmost care of its staff and work force like sanitization, social distancing, mandatory mask wearing, maintaining proper hygiene, etc. The Company is monitoring the operations and the repayment capabilities of the borrowers and the borrowers have made requests to the Company for decreasing the rate of interest charged on borrowings.

### **ACKNOWLEDGEMENTS**

Your Directors would like to place on record their sincere gratitude to the shareholders, bankers, business associates, customers, government and other regulatory agencies for their continued support and faith in the Company. Your Directors are also happy to place on record their appreciation for the whole-hearted co-operation, commitment and contribution made by all the employees and look forward to their continued support.

**For and on behalf of the Board**

**Date: 30<sup>th</sup> May, 2022**

**Place: Kolkata**

**Manisha Pincha**  
**Whole-time Director**  
**DIN: 07143031**

**Pradeep Kumar Hirawat**  
**Director**  
**DIN: 00047872**

**A. 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 FOR THE FINANCIAL YEAR 2020-2021**

- 1) 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:

S. No.	Name of the directors/KMPs and designation	Remuneration of directors/KMPs for the financial year 2021-22	% increase in Remuneration in the financial year 2021-22	Ratio of Remuneration of each directors to the median remuneration of the employees
1	Manisha Pincha Whole-time Director	9,00,000	-	3.59
2	Sweta Singh* Company Secretary	2,50,836	-	N.A.
3	Krishna Gopal Halder Chief Financial Officer	1,71,600	-	N.A.

*\*Ms. Sweta Singh was appointed as Company Secretary & Compliance Officer w.e.f.19<sup>th</sup> June, 2021 and resigned with effect from close of business of 27<sup>th</sup> January, 2022.*

- 2) There were two permanent employees i.e., Whole-time Director and Chief Financial Officer on the rolls of the Company as on 31<sup>st</sup> March, 2022. Ms. Sweta Singh was appointed as Company Secretary with effect from 19<sup>th</sup> June, 2021 and resigned with effect from close of business of 27<sup>th</sup> January, 2022. Apart from this, there are no other employees on the pay roll of the Company.
- 3) In the financial year 2021-22, there was no change in the median remuneration of the employees (including whole-time director, company secretary and chief financial officer).
- 4) Average percentage increase already made in the salaries of employees other than Managerial Personnel in the financial year 2021-22 and its comparison with the percentage increase in the managerial remuneration and justification thereof and the detail of exceptional circumstances for increase in the managerial remuneration: Not applicable since there are no employees other than managerial personnel.
- 5) The explanation on the relationship between average increase in remuneration and company performance: the change in remuneration in the current year as compared to previous year is due to deductions as per company's remuneration policy and working rules.

- 6) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The remuneration of the Key Managerial Personnel(s) are in line with the Remuneration Policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company. Further, remuneration of the KMP's is as per industry standard.
- 7) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. Further there is no variable component in the remuneration availed by the Directors.
- 8) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- 9) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note:

- The details/figures of remuneration given hereinabove are on the basis of actual payout during the year. The calculation of ratio and median are based on the actual remuneration paid to the employees during the year 2021-22.
- For the year 2021-22, the Company went for no increment in the remuneration. However, the change in remuneration in the current year as compared to previous year is due to deductions as per company's remuneration policy and working rules.

**B. STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2021-22**

During the year under review, there were no employees who were in receipt of remuneration aggregating to Rs. 1,02,00,000 (Rupees One Crore and Two Lakh) or more for the year or Rs. 8,50,000 (Rupees Eight Lakh and Fifty Thousand) or more per month for the part of the year. Further, there was no employee, neither throughout the financial year 2021-22 or part thereof, who received remuneration in excess of that drawn by the Whole-time director of the Company.

Further the names of Top Ten Employees of the Company in terms of remuneration drawn as on the financial year ended March 31st, 2022 is tabled hereunder:

<b>Ranking</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Name</b>	Manisha Pincha	Sweta Singh*	Krishna Gopal Halder
<b>Designation</b>	Whole-time Director	Company Secretary & Compliance Officer	Chief Financial Officer
<b>Age</b>	40	30	39
<b>Remuneration received</b>	Rs. 900000/-	Rs. 291774/-	Rs. 167200/-
<b>Nature of employment</b>	Permanent and Whole-time	Permanent and Whole-time	Permanent and Whole-time

<b>Qualifications and experience</b>	Graduate; 8 years	M.Com, CS; 6 years	Graduate; 13 years
<b>Date of commencement of employment</b>	Has been on the Board as Non-executive Woman Director since 27.03.2015. However, she was re-designated as Whole-time Director with effect from 10.05.2019.	05.10.2015	01.02.2020
<b>Previous employment</b>	Not Applicable	Not Applicable	Accounts Head - Veekay Apartments Pvt Ltd
<b>Percentage of equity shares held in the company</b>	Nil	Nil	Nil
<b>Relationship with any director or manager</b>	No relationship	No relationship	No relationship

Note: Only those employees have been considered in top ten who have been associated with the Company as on 31.03.2022 and their remuneration is on the basis of actual payout as on 31.03.2022.

*\*Ms. Sweta Singh was appointed as Company Secretary & Compliance Officer w.e.f. 19<sup>th</sup> June, 2021 and resigned with effect from close of business of 27<sup>th</sup> January, 2022.*



SECRETARIAL AUDIT REPORT

(FORM NO. MR-3)

FOR THE FINANCIAL YEAR ENDED 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]

To

The Board of Directors,  
KHATOD INVESTMENTS & FINANCE CO LTD  
1, Ramesh Mitra Road, Third Floor  
Kolkata- 700025

I have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s.KHATOD INVESTMENTS & FINANCE CO LTD** (hereinafter called "the Company"). Secretarial Audit was conducted on test check basis, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, and relying on the representations made by the Company and its Officers, I hereby report that in my opinion, the Company has, during the financial year ended 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I further report that compliance with applicable laws is the responsibility of the Company and my report constitutes an independent opinion. Further, my report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022, according to the provisions of the following laws and as shown to me, during my audit:

- (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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 and other applicable regulations/guidelines/circulars as may be issued by SEBI from time to time to the extent applicable;
- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations/ guidelines/ circulars as may be issued by SEBI from time to time to the extent applicable.

I further report that, during the year under review, there were no actions/events in pursuance of:

- a. 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;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, I have also examined the secretarial compliances of the Company for the financial year ended 31<sup>st</sup> March 2022, of the following laws specifically applicable to the Company:

- a. Rules, Regulations, Guidelines and Directions issued by the Reserve Bank of India for Non-Deposit taking NBFCs.

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

- (i) Secretarial Standards issued and mandated by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with the Calcutta Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except to the extent mentioned hereunder: -

- a. The Company has filed its Return DNBS-13 for the quarter ended 30<sup>th</sup> June, 2021 on 30<sup>th</sup> December, 2021, for the quarter ended 30<sup>th</sup> September, 2021 on 30<sup>th</sup> December, 2021 and

for the quarter ended 31<sup>st</sup> December, 2021 on 26<sup>th</sup> April, 2022, i.e., beyond the stipulated time period of fifteen (15) days from the end of each quarter;

- b. The Company has filed its Return DNBS-02 for the Financial Year ending 31<sup>st</sup> March, 2021 on 06<sup>th</sup> November, 2021, i.e., beyond the stipulated time period of sixty (60) days from the end of the financial year.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year 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 were carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** during the year under review, Ms. Sweta Singh (Membership No. 61963) had resigned from the post of Company Secretary & Compliance Officer of the Company with effect from 27<sup>th</sup> January, 2022.

**I further report** that pursuant to the resignation of M/s VKR & Associates, Chartered Accountants (Firm Registration No.320323E) as Statutory Auditors of the Company, the Board of Directors of the Company, at their meeting held on 03<sup>rd</sup> November, 2021 approved the appointment of M/s. Komandoor & Co LLP., Chartered Accountants, (Firm Registration No.001420S/S200034) as the Statutory Auditors of the Company to hold office from the conclusion of the postal ballot of the Company, i.e., 03<sup>rd</sup> February, 2022 till conclusion of the ensuing Annual General Meeting of the Company.

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

This Report is to be read with my letter of even date which is annexed as “**Annexure A**” and forms an integral part of this Report.

**Prachi Todi**

**Practicing Company Secretary**

**M. No.: 53022**

**C.P. No.: 22964**

**Peer Review Certificate No.: 1445/2021**

**UDIN: A053022D000425416**

**Date: 30/05/2022**

**Place: Kolkata**

**"ANNEXURE - A"**  
**(TO THE SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022)**

**To**  
**The Board of Directors,**  
**KHATOD INVESTMENTS & FINANCE CO LTD**  
**1, Ramesh Mitra Road, Third Floor**  
**Kolkata- 700025**

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the Audit practices and processes as where 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. I believe that the processes and practices that were followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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 and standards is the responsibilities of the management. My 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.

**Prachi Todi**  
**Practicing Company Secretary**  
**M. No.: 53022**  
**C.P. No.: 22964**  
**Peer Review Certificate No.: 1445/2021**  
**UDIN: A053022D000425416**

**Date: 30/05/2022**  
**Place: Kolkata**

**DISCLOSURE OF PARTICULARS UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

The particulars of energy, technology absorption, foreign exchange earnings and outgo, in the manner as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

<b>A</b>	<b>CONSERVATION OF ENERGY</b>	
a)	Steps taken or impacts on conservation of energy	Nil
b)	Steps taken by the company for utilising alternate sources of energy	Nil
c)	Capital investment on energy conservation equipments	Nil

<b>B</b>	<b>TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION</b>	
a)	Efforts made towards technology absorption,	Nil
b)	Benefits derived like product improvement, cost reduction, product development or import substitution.	Nil
c)	In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
i)	Technology imported	Nil
ii)	Year of import	N.A.
iii)	Has technology been fully absorbed?	N.A.
iv)	If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action	N.A.
d)	Expenditures incurred on Research & Development	N.A.

<b>C.</b>	<b>FOREIGN EXCHANGE EARNINGS AND OUTGO</b>	
a)	Foreign Exchange earned in terms of actual inflows during the year	Nil
b)	Foreign Exchange outgo during the year in terms of actual outflows	Nil

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Khatod Investments & Finance Co Ltd is a non-deposit taking Non Banking Financial Company (NBFC-ND) registered with the Reserve Bank of India (RBI). It is engaged in the business of investment and lending.

### **IMPACT OF COVID-19 PANDEMIC**

The pandemic posed unprecedented dilemma before policymakers – lives vs livelihoods and flattening the twin curves of pandemic and the resultant recession. The economic situation across the globe was displaying steady recovery but resurgence of the pandemic in certain geographies and the prevailing geo-political tensions have impacted this recovery. The impact of pandemic and lockdown was disproportionately felt across industries.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

After the challenging 2020, the global economy started with a note of optimism as vaccination drive started rolling out across the globe and resumption of economic activities. The advanced economies grew at an annual rate of 5.8% which was slower than Emerging and Developing economies, which grew at 6.8% in CY 2021. Among the important economic hubs of the world, India and China experienced the strongest recovery growing at an annual rate of 8.9% and 8.1% respectively.

The NBFC sector continued to grow its share in the financial services industry. The financial services industry plays an important role in ensuring the efficiency of capital allocation and driving high-return investments. In addition, the industry plays an important role in enabling more people to have access to capital. While the importance of NBFCs in credit intermediation continued to grow, repayment default by a systemically important NBFC in September 2018 brought to focus asset-liability mismatches of the sector – where some NBFCs were more impacted than the others. They have fill the gaps in the availability of financial services that otherwise occur in the unbanked segments of the society and under-served areas.

The RBI continued to maintain an accommodative stance throughout the year, aiding the recovery process. The growth projections face downsides risks emanating from the increased duration of the war as well as growing inflation. The financial services sector is expected to rapidly grow this decade driven by rising incomes and heightened government focus on financial inclusion and digital adoption – India's digital payments could pass \$1 trillion by 2030. According to the RBI, NBFCs have slowly, but steadily increased their credit to GDP ratio from 8.6% in 2013 to reach 13.7% in 2021.

### **OPPORTUNITIES AND THREATS**

With multiple schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Mudra Yojana, among others, the Government of India has laid greater emphasis on furthering financial inclusion Increasing consumerism boosting retail lending – The COVID-19 crisis is expected to alter the dynamics of India's retail credit market, bringing a new beginning to the economy's retail lending NBFCs can serve the niche segments in partnerships with fintechs. This will lead to increased synergies between NBFCs and fintechs NBFC-fintech collaboration coupled with digitisation efforts and regulatory norms

for data security will help address the credit gap MSME is a sector with huge potential for growth with limited access to funds from traditional banks and Financial Institutions.

However, there looms a threat that the margin may be affected due to the adverse trends in stock prices of the related securities. The major threats to the lending and financing segment includes high cost of funds, rising non-performing assets (NPAs), competition from other NBFCs and banks, etc. Another major threat is the delay in payment or no payment of the existing EMI's and more and more moratorium requests.

#### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company has identified that its operating activity is a single primary business segment viz. Investment and lending business carried out in India. Accordingly, whole of India has been considered as one geographical segment.

#### **OUTLOOK**

With the economic activity gaining momentum post COVID-19 lockdown and rollout of coronavirus vaccines, the Indian economy is likely to do better. Monetary and fiscal support will remain crucial. IMF has projected growth rate of 12.5% for India in 2021.

#### **RISK AND CONCERNS**

The Company's business is exposed to several financial and market risks. However, your Company's business model is efficient enough to manage the risks associated with the business opportunities. The risks are vigilantly monitored and managed with proper understanding upon thorough considerations of market conditions, adequate systems, checks and balances duly in place considering the business objective, risk absorbing capacity and capital deployment.

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

The Company has a proper and adequate system of internal controls commensurate with the size and nature of its business. Internal Control and Audit is an important procedure and its effectiveness is reviewed by the Audit committee of the Company on a quarterly basis. The Company has also a well-defined organization structure, authority level and internal rule and regulations. These have been designed to ensure effective and efficient operation and compliance of applicable laws and regulations and to provide reasonable assurance that all assets are safeguarded; transactions are authorized, recorded and reported correctly.

#### **FINANCIAL PERFORMANCE**

During the year under review, the financial performance of your Company was as follows:

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Total Revenue	3,85,972	44,90,810
Profit/Loss Before Tax	(12,14,521)	28,74,351
Profit After Tax	(12,14,521)	22,74,351
EPS	(0.46)	0.76

#### **HUMAN RESOURCE DEVELOPMENT**

Your Company always considers Human Resource as its most valuable asset and therefore continuously tries to frame such policies that are effective enough to retain its substantial  
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pool of managerial resources through friendly work environment that encourages the employees to give their best and contribute to the maximum in the growth of the Company. Employees' relations continued to be harmonious throughout the year with the management. The Company is taking utmost care of its staff and work force like sanitization, social distancing, mandatory mask wearing, maintaining proper hygiene, etc.

#### **SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

The changes in the key financial ratios are mentioned herein below:

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>Reason for significant changes</b>
PBT/Total Income	-3.147	0.640	Due to loss in Current Year.
PBT/Total Assets	-0.002	0.005	Due to loss in Current Year.
Debt Equity Ratio	0.018	0.044	Due to decrease in the total debt.
Operating Profit Margin	-3.147	0.64	Due to loss in Current Year.
Net Profit Margin	-3.600	0.51	Due to loss in Current Year.

#### **CHANGE IN RETURN ON NET WORTH**

The change in the return on net worth is as under:

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>Reason for significant changes</b>
Return on Net Worth	0.002	0.004	Due to loss in Current Year.

#### **CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be considered to be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. The important factors that could make a difference to the Company's operations are changes in the government regulations, tax laws, other statutes and other incidental factors. The Company assumes no responsibility nor is under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

**For and on behalf of the Board**

**Date: 30<sup>th</sup> May, 2022**

**Place: Kolkata**

**Manisha Pincha**  
**Whole-time Director**  
**DIN: 07143031**



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance contains a set of guidelines, principles, processes and systems to be followed by the Directors, the management and all the employees of the Company for increasing transparency and accountability to the shareholders in particular and other stakeholders in general. Your Company's philosophy is to continue to enhance stakeholders' value and customers' satisfaction by consistently endeavoring to follow the best Corporate Governance practices.

### BOARD OF DIRECTORS

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees to the shareholders.

#### Composition

The Company has an optimum combination of Executive and Non-executive Directors in compliance with the provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on 31<sup>st</sup> March, 2022, the Company has four directors on its Board out of which one is Whole-time Director and three are Non-executive Directors. Out of three Non-executive Directors, two are Independent Directors. The Whole-time Director of the Company also fulfills the requirement of a Woman Director on the Board.

The details of each member of the Board as required under Schedule V of the Listing Regulations as on 31<sup>st</sup> March, 2022 are mentioned below:

Name, Designation and Category	No. of other Directorship(s)#	Membership(s) /Chairmanship (s) of Board Committees of other companies##	Name(s) of listed entities where the Director is a Director and category of Directorship
Mrs. Manisha Pincha (DIN: 07143031), Whole-time Director Executive & Professional	2	Nil	BFM Industries Ltd., Non-executive
Mr. Pradeep Kumar Hirawat (DIN: 00047872),	17	Nil	Nil

Director Non-executive & Independent			
Mr. Manish Jain (DIN: 00578028), Director, Non-executive & Independent	Nil	Nil	Nil
Mr. Shambhu Choubey (DIN: 06565599), Director, Non-executive & Non-independent	5	Nil	Nil

*#Only Indian Companies are considered.*

*##Only memberships/chairmanships of the Audit Committee and Stakeholders Relationship Committee are considered.*

Notes:

1. The Directorship/Committee membership is based on the Disclosures received from the Directors as on 31.03.2022.
2. None of the Directors holds Directorships in more than 20 companies pursuant to Section 165 of the Companies Act, 2013.
3. None of the Directors holds Membership and/or Chairmanship of any Committee exceeding 10 Companies and/or 5 Companies respectively as per the Listing Regulations.
4. There is no relationship, in terms of the Act, between any of the Directors of the Company.
5. Non-executive Directors do not hold any shares of the Company.

Mr. Shambhu Choubey retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

As required under Regulation 36(3) of the Listing Regulations, a brief resume of the Director seeking re-appointment is appended to the Notice convening this AGM.

**Number and dates of Board Meetings held during the year:**

During the financial year ended 31<sup>st</sup> March, 2022, 6 (Six) Board meetings were held as follows:

S. No.	Date of the Meeting	Board strength	No. of Directors present
1	19 <sup>th</sup> June, 2021	4	4
2	30 <sup>th</sup> June, 2021	4	4
3	10 <sup>th</sup> August, 2021	4	3
4	3 <sup>rd</sup> November, 2021	4	4
5	13 <sup>th</sup> November, 2021	4	3
6	12 <sup>th</sup> February, 2022	4	4

**Attendance of Directors at the Board Meetings held during the year and at the last Annual General Meeting ('AGM'):**

Name of Director	No. of Board Meetings attended	Attendance at the last AGM (30.09.2021)
Mrs. Manisha Pincha	4	Yes
Mr. Pradeep Kumar Hirawat	6	Yes
Mr. Manish Kumar Jain	6	No
Mr. Shambhu Choubey	6	Yes

**Independent Director - Separate Meeting & Familiarisation Programmes**

Pursuant to the provisions of the Act, read with Schedule IV thereto, a separate Meeting of Independent Directors was held on 1<sup>st</sup> February, 2022. The Meeting was attended by Mr. Pradeep Kumar Hirawat and Mr. Manish Kumar Jain. Mr. Pradeep Kumar Hirawat was elected as the Lead Independent Director. The matters discussed at the Meeting of Independent Directors, *inter-alia*, included a review of the performance of Non-independent Directors and the Board as a whole, review of performance of the Chairperson of the Company and the assessment of the quality, quantity and the timeliness of flow of information between the Management and the Board.

The Board of Directors of the Company is of the opinion that the Independent Directors of the Company fulfill the conditions specified in the Act and the Listing Regulations and are independent of the Management.

In terms of Regulation 25(7) of the Listing Regulations, the Company organizes familiarization programmes for its Independent Directors to provide insights into the Company's operations. The Company periodically conducts presentations/programs to familiarize the Independent Directors with its strategy, operations and functions inclusive of important developments in various business divisions, and new initiatives undertaken by it. The details of programmes for familiarization of Independent Directors with the Company, including their duties and related matters are available on the website of the Company at <http://www.khatodinv.com/policies-codes.php>.

**Skills/Expertise/Competencies of the Board:**

Director Name	Skills/Expertise/Competencies					
	Leadership skills	Business experience	Finance and accounting knowledge and expertise	Competency with information technology	Strategic planning	Good and ethical governance
Mrs. Manisha Pincha	✓	✓	✓	✓		✓

Mr. Pradeep Kumar Hirawat	✓	✓	✓	✓	✓	✓
Mr. Manish Jain	✓	✓	✓	✓		✓
Mr. Shambhu Choubey	✓	✓			✓	✓

*Note: The absence of a mark against the Director's name does not necessarily mean that the Director does not possess the corresponding qualification or skill.*

### COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review. The Board has established the following Committees:

#### **Audit Committee**

The Audit Committee of the Company acts as a link between the Management, the Statutory Auditors and the Board of Directors. The Audit Committee, *inter- alia*, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

The Audit Committee is empowered, pursuant to its terms of reference, *inter- alia*, to:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- To have full access to information contained in the records of the Company.

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to

be included in the Board's report in terms of clause (c) of sub-section 134 of Companies Act, 2013.

- b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. 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;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. 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;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### Composition of the Audit Committee

As on 31<sup>st</sup> March, 2022, the Committee comprised of three Directors out of which two including the Chairman were Independent Directors. All the members of the Committee are financially literate and the Chairman of the Committee has accounting and financial management expertise.

### Details of members and their attendance at the meetings:

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Pradeep Kumar Hirawat	Chairman	5	5
2	Mr. Manish Kumar Jain	Member	5	5
3	Mrs. Manisha Pincha	Member	5	3

During the financial year ended 31<sup>st</sup> March, 2022, 5 (five) meetings of the Audit Committee were held as follows:

S. No.	Date of the meeting	Attendance
1	30 <sup>th</sup> June, 2021	4
2	10 <sup>th</sup> August, 2021	3
3	3 <sup>rd</sup> November, 2021	4
4	13 <sup>th</sup> November, 2021	3
5	12 <sup>th</sup> February, 2022	4

### Nomination & Remuneration Committee

The role of the Nomination & Remuneration Committee of the Company shall *inter-alia* include the following:

1. To determine the compensation packages of Executive Directors and Senior Managers of the Company. The committee will review recommendations made to it by the Company and others;
2. To act as the duly authorized Committee of the Board;
3. To determine the parameters and supervise the operation of the bonus schemes of the Company;
4. To investigate any activity within its terms of reference;
5. To seek any information from any employee of the Company. Employees are directed to cooperate with any relevant request made;
6. To obtain outside legal or independent professional advice. Such advisors may attend meetings as necessary;
7. To incur such reasonable expenditure, as it deems necessary;

8. 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;
9. Formulation of criteria for evaluation of Independent Directors and the Board;
10. Devising a policy on Board diversity; and
11. 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 and carry out evaluation of every Director's performance.

#### **Composition of the Nomination & Remuneration Committee**

As on 31<sup>st</sup> March, 2022, the Committee comprised of three Directors and was headed by a Non-executive Independent Chairman.

#### **Details of members and their attendance at the meetings:**

S. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Pradeep Kumar Hirawat	Chairman	1	1
2	Mr. Manish Kumar Jain	Member	1	1
3	Mr. Shambhu Choubey	Member	1	1

During the financial year 2021-22, 1(one) meeting of the Nomination & Remuneration Committee was held:

S. No.	Date of the meeting	Attendance
1	19 <sup>th</sup> June, 2022	3

#### **Performance Evaluation of Directors**

Pursuant to the provisions of Section 178 of the Act and Regulation 17(10) of the Listing Regulations, the Nomination and Remuneration Committee and the Board has carried out the performance evaluation of the Board as a whole, the Directors individually (including Independent Directors), the Chairperson of the Company and the working of the Committees of the Board.

The criteria used for evaluation of the performance of the Independent Directors includes *inter-alia* personal integrity, ethical standards, confidentiality, knowledge of the institution's key activities, deliberations or committee work, understanding of governance, etc.

#### **Nomination & Remuneration Policy**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management. The policy is placed on the website of the Company at the link: <http://www.khatodinv.com/policies-codes.php>.

**Details of Remuneration of the Directors for the financial year ended 31<sup>st</sup> March, 2022:**

<b>Name of Director</b>	<b>Consolidated Salary</b>	<b>Perquisites and other Benefits</b>	<b>Performance bonus/ Commission</b>	<b>Sitting Fees</b>	<b>Total</b>
Mrs. Manisha Pincha	Rs. 900000/-	Nil	Nil	Nil	Rs. 900000/-

Nomination and Remuneration Committee recommends the remuneration for the Executive Directors and Key Managerial Personnel and the same is then approved by the Board and Shareholders, where required. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. No remuneration (including sitting fee) has been paid to the Non-executive Directors in the financial year 2021-22.

No Non-executive Director has held any shares and/or convertible instruments in the Company.

There is no other pecuniary relationship or transactions with the Non-executive Directors vis-à-vis the Company. Also, the Company has no stock option plans and hence, such instruments do not form a part of the remuneration package payable to any Executive and/or Non-executive Director.

**Details of Fixed Components and Performance Linked Incentives**

As per the remuneration approved by the shareholders, apart from the salary, no performance linked incentive is paid to any of the Directors.

**Service Contract, Notice Period and Severance Fees**

During the year under review, the Company has received Resignation letter of Ms. Sweta Singh, Company Secretary and Compliance Officer of the Company on 25<sup>th</sup> December, 2021. She served a notice period of around one month and resigned from the position of Company Secretary and Compliance Officer with effect from the close of business hours on 27<sup>th</sup> January, 2022. Apart from this there were no service contracts, notice period and service fees paid.

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee of the Company shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee also meets as and when required for approving share transfers. All valid requests for share transfers received during the year have been acted upon and there are no share transfer requests pending as on 31<sup>st</sup> March, 2022.



## Functions and Powers

- To review statutory compliance regarding share and debenture holders (Investors).
- To review various reports related to Investors;
- To review grievances of Investors;
- To review transfer of shares;
- To review transmission of shares;
- To review deletion of names from share certificates;
- To review change of name of Member on share certificates;
- To review issue of duplicate share certificates;
- To review dematerialization of shares and
- Any other matter relating to the above-mentioned functions incidental to the shareholders/investors of the Company.

In accordance with the provisions of the Listing Regulations, the power to execute transfers, transmissions, etc. of shares in the physical form has been delegated to the Registrar & Share Transfer Agent.

## Composition of Stakeholders Relationship Committee

As on 31<sup>st</sup> March, 2022, the Committee comprised of three directors and was headed by a Non-executive Director.

### Details of members and their attendance at the meetings:

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Pradeep Kumar Hirawat	Chairman	4	4
2	Mrs. Manisha Pincha	Member	4	2
3	Mr. Manish Kumar Jain	Member	4	4

During the financial year ended 31<sup>st</sup> March, 2022, (4) four meetings of the Stakeholders Relationship Committee were held as follows:

S. No.	Date of the meeting	Attendance
1	30 <sup>th</sup> June, 2021	3
2	10 <sup>th</sup> August, 2021	2
3	13 <sup>th</sup> November, 2021	2
4	12 <sup>th</sup> February, 2022	3

Ms. Sweta Singh, Company Secretary of the Company was acting as the Compliance Officer of the Company till the closure of business hours on 27<sup>th</sup> January, 2022.

### Details of shareholders' complaints

- (a) Number of shareholders' complaints received during the year : Nil  
(b) Number of shareholders' complaints resolved during the year : Nil  
(c) Number of complaints not solved to the satisfaction of shareholders : Nil  
(d) Number of complaints pending : Nil

### GENERAL BODY MEETINGS

#### Annual General Meetings

Date, time, venue and the special resolutions passed in the last three Annual General Meetings are as under:

Particulars	2020-21	2019-20	2018-19
Meeting	31 <sup>st</sup> AGM	30 <sup>th</sup> AGM	29 <sup>th</sup> AGM
Day & Date	Thursday, 30 <sup>th</sup> September, 2021	Wednesday, 30 <sup>th</sup> September, 2020	Friday, 27 <sup>th</sup> September, 2019
Time	03:00 P.M.	03:00 P.M.	04:00 P.M.
Venue	The Aryans School, 149, B.T. Road, Kolkata - 700 058	The Aryans School, 149, B.T. Road, Kolkata - 700 058	The Aryans School, 149, B.T. Road, Kolkata - 700 058
Special Resolution, if any, passed	No Special Resolution was passed	No Special Resolution was passed	1. Re-designation of Mrs. Manisha Pincha (DIN: 07143031) from Non-executive Director to Whole-time Director of the Company, for a term of five (5) consecutive years

#### Extraordinary General Meetings

No Extraordinary General Meeting was held during the financial year 2021-22.

#### Postal Ballot

Special Resolution passed through postal ballot last year : Nil

Items proposed to be conducted through postal ballot this year : Nil

## CODE OF CONDUCT

### **Code of Conduct for Directors and Senior Management**

The Company is consistently endeavoring to conduct its business in accordance with the highest standards of business ethics and to comply with applicable laws, rules and regulations. It believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems to commensurate with the risks involved. The Board of Directors has adopted the Code of Conduct for the Directors and Senior Management ("the Code"). A copy of the Code has been put on the Company's website at <http://www.khatodinv.com/policies-codes.php>.

All Directors and Senior Management Personnel have affirmed compliance with the Code and a declaration to this effect, signed by the Whole-time Director of the Company, is attached to this report as **Annexure - 5A**.

### **Code of Insider Trading**

The Board of Directors has also adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price sensitive information. A copy of the aforesaid Code has been put on the Company's website at <http://www.khatodinv.com/policies-codes.php>

## CEO - CFO CERTIFICATION

The Whole-time Director and the CFO of the Company have given a certificate on financial reporting and internal controls to the Board in terms of the Listing Regulations which is attached to this Report as **Annexure - 5B**.

## OTHER DISCLOSURES

### **Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large**

There is no materially significant related party transaction entered i.e. any transaction of material nature, with its promoters, directors or the management or relatives, etc. that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transactions with related parties have been disclosed in Note No. 18 in Notes to the Accounts forming part of the accounts for the year ended 31<sup>st</sup> March, 2022.

The Company has formulated a policy to govern its Related Party Transactions and the same has been uploaded on the website at the link: <http://www.khatodinv.com/policies-codes.php>.

### **Statutory Compliances**

The Company is generally regular in complying with the requirements of the regulatory authorities on the matters relating to the capital market and no penalties / strictures have been imposed on the Company by the Stock Exchanges or any statutory authority, during last three years.

### **Whistle Blower Policy/Vigil Mechanism**

The Company believes in promoting ethical behaviour and accordingly there is a mechanism for reporting unethical behaviour, actual or suspected fraud or violation against its Code of Conduct. It has formulated a Whistle Blower Policy, the main objective of which is to provide adequate safeguard measures against victimization of employees.

The Policy is also placed on the website of the Company at the link: <http://www.khatodinv.com/policies-codes.php>.

It is noted that none of the officials/personnel of the Company has been denied access to the Audit Committee. The Vigilance Officer/Chairman of Audit Committee has not received any complaint during the financial year ended 31<sup>st</sup> March, 2022.

### **Adoption of Mandatory and Non Mandatory Requirements as per the Listing Regulations**

The Company duly complied with all the mandatory requirements of the Listing Regulations and the requirements of the Stock Exchanges. It has also complied with the discretionary requirements as specified in Part E of Schedule II of the Listing Regulations as far as they are applicable to it and also with the Secretarial Standards - 4 on Report of the Board of Directors issued by the Institute of Company Secretaries of India.

**The status of compliance with discretionary requirements specified in Para E of Schedule II of the Listing Regulations is provided below:**

**(i) The Board:** The Board has no designated Chairperson.

**(ii) Shareholder Rights:** The official news release and other related information, if any, are displayed on the website of the Company. These are not sent individually to the Shareholders.

**(iii) Modified opinion(s) in audit report:** The Statutory Auditors have given their Report with unmodified opinion on the Company's Financial Statements for the year ended 31<sup>st</sup> March 2022.

**(iv) Reporting of Internal Auditor:** The Internal Auditor may report directly to the Audit Committee as and when required.

### **Disclosure of Accounting Treatment**

In preparation of Financial Statements, the Company has followed the Accounting Standards issued by The Institute of Chartered Accountants of India. The significant Accounting Standards have been set out in the notes to Accounts of the Audited Accounts.

### **Management Discussion and Analysis Report (MDA)**

MDA forms part of the Directors' Report and the same is attached separately in this Annual Report as **Annexure- 4**.

### **Compliance certificate from Company Secretary in Practice**

Ms. Prachi Todi (Membership No. 53022; COP No. 22964), Company Secretary in Practice has certified that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46(2) and paragraphs C and

D of Schedule V of the Listing Regulations and the same is annexed to this report as **Annexure - 5C.**

#### **Certificate of Non-Disqualification of Directors from Company Secretary in Practice**

Ms. Prachi Todi (Membership No. 53022; COP No. 22964), Company Secretary in Practice has certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Ministry of Corporate Affairs or any such authority and the same is annexed to this report as **Annexure - 5D.**

#### **Risk Management Policy**

The Board of Directors of the Company has formulated a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

#### **Dividend Payment Date**

The Company has not declared any dividend for the relevant Financial Year 2021-22.

#### **Sexual Harassment of Women at Workplace**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- |  |     |
|--|-----|
| a) Number of complaints filed during the financial year:             | Nil |
| b) Number of complaints disposed of during the financial year:       | Nil |
| c) Number of complaints pending as at the end of the financial year: | Nil |

#### **Statutory Auditors**

The total fees for all services paid by the listed entity, on a consolidated basis, to M/s VKR & Associates\*, the Statutory Auditor, and all entities in the network firm/network entity of which the Statutory Auditor is a part, amounts to Rs. 17,770/- (Rupees Seventeen Thousand Seven Hundred and Seventy Only) in the financial year ended 31st March, 2022.

*\*Resigned w.e.f. 3.11.2021 due to expiry of the validity of peer review certificate.*

#### **Commodity price risk, foreign exchange risk and hedging activities**

The Company does not deal in commodities and is not exposed to foreign exchange risk and hedging activities. Thus, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

#### **MEANS OF COMMUNICATION**

- a) The quarterly financial results and annual audited financial results are published in widely circulated newspapers viz. The Financial Express in English and Duranta Bartain Bengali. These results of the Company are also sent to The Calcutta Stock Exchange Ltd. immediately after the conclusion of the Board Meetings. The Company's financial results are even displayed on the website of the Company, [www.khatodinv.com](http://www.khatodinv.com).

- b) The Company's website does not display any official news releases.
- c) No presentation was made to the institutional investors or to the analysts during the year under review.
- d) Annual Report containing, *inter-alia*, Directors' Report, Auditors' Report, Audited Financial Statement and other important information is circulated to members and others entitled thereto.

### **RECONCILIATION OF SHARE CAPITAL**

As per Regulation 76 of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018 (erstwhile Regulation 55A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996), report on Reconciliation of Share Capital Audit issued by Ms. Prachi Todi (Membership No: A53022; COP: 22964), Company Secretary in Practice, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and also submitted to the Calcutta Stock Exchange.

### **GENERAL SHAREHOLDER INFORMATION**

#### **Annual General Meeting for Financial Year 2021-22**

<b>Date and Day</b>	:	Tuesday, 27 <sup>th</sup> September, 2022
<b>Venue</b>	:	The Aryans School, 149, B.T. Road, Kolkata - 700 058
<b>Time</b>	:	3:00 p.m.

#### ***Tentative Financial Calendar***

Financial year: 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

For the year 2022-23, the results are likely to be adopted:

- on or before 14<sup>th</sup> August 2022 : First quarter (Un-audited)
- on or before 14<sup>th</sup> November 2022 : Second quarter (Un-audited)
- on or before 14<sup>th</sup> February 2023 : Third quarter (Un-audited)
- on or before 30<sup>th</sup> May 2023 : Annual (Audited)

#### **Listing on Stock Exchange**

The Calcutta Stock Exchange Ltd.  
7, Lyons Range, Kolkata - 700 001  
Website: [www.cse-india.com](http://www.cse-india.com)

Annual Listing fee for the Financial Year 2022-23 has been paid.

## Depositories

Name of the Depository	Address of the Depository	Website
National Securities Depository Ltd.	Trade World, Kamala Mills Compound, Lower Parel, Mumbai - 400 013	<a href="http://www.nsdl.co.in">www.nsdl.co.in</a>
Central Depository Services (India) Limited	Marathon Futurex, A-wing, 25th Floor, NM Joshi Marg Lower Parel, Mumbai-400 013	<a href="http://www.cdslindia.com">www.cdslindia.com</a>

The International Securities Identification Number (ISIN) allotted to Company's securities under the Depository system is **INE816C01017**.

### Stock Code

The Calcutta Stock Exchange Ltd.

Code No. : 21083

### Market price data

There was no trading in shares of the Company at The Calcutta Stock Exchange Ltd. during the financial year 2021-22.

### Registrar & Share Transfer Agents

M/s Niche Technologies Private Limited

3A, Auckland Place,

7th Floor, Room No. 7A & 7B,

Kolkata - 700 017

Phone No. 033-2280-6616/17/18

Fax No. 033-2280-6619

E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

### Contact Person - Mr. S. Abbas (Sr. Manager - Systems)

### Share Transfer System

The share transfer requests received by the Company/Registrar & Share Transfer Agent are processed expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories - National Securities Depository Limited ("NSDL")/Central Depository Services (India) Limited ("CDSL") within stipulated period. In terms of requirements of the amendments to Regulation 40 of the Listing Regulations transfer of securities held in physical form shall not be processed w.e.f 31<sup>st</sup> March, 2019. The transfer of securities shall be carried out only if it is held in the dematerialized form with a depository.

### Distribution of Shareholding

#### Distribution of shareholding by size as on 31<sup>st</sup> March, 2022:

Range of Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	98	62.8205	26,750	0.8910
501 - 1000	36	23.0769	29,900	0.9959
1001 - 5000	10	6.4103	21,150	0.7045
5001 - 10000	1	0.6410	8,600	0.2865
10001 - 50000	1	0.6410	35,300	1.1758
50001 - 100000	4	2.5641	3,09,200	10.2991
100001 and above	6	3.8462	25,71,300	85.6472
<b>Total</b>	<b>156</b>	<b>100.00</b>	<b>30,02,200</b>	<b>100.00</b>

#### Distribution of shareholding by category as on 31<sup>st</sup> March, 2022:

Category	Number of Shares	% to Total
Promoters and Promoter Group	18,62,300	62.03
Banks, Financial institutions etc.	Nil	Nil
Private corporate bodies	10,62,100	35.38
Indian Public	77,800	2.59
NRIs/ OCBs	Nil	Nil
Clearing Members	Nil	Nil
<b>Total</b>	<b>30,02,200</b>	<b>100.00</b>

#### Details of shares held by Directors as on 31<sup>st</sup> March, 2022:

Name of Director	No. of Equity Shares	% of Total holding
Mrs. Manisha Pincha	Nil	Nil
Mr. Manish Kumar Jain	Nil	Nil
Mr. Pradeep Kumar Hirawat	Nil	Nil
Mr. Shambhu Choubey	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>



**Dematerialization of shares and liquidity:**

The Company has entered into an Agreement with NSDL and CDSL for the dematerialization of its shares. The details of shares held in dematerialized and physical form as on 31<sup>st</sup> March, 2022 are hereunder:

Status of Dematerialization	No. of Share	% of Total Share
Share held in dematerialized form : NSDL	1668109	55.53%
Share held in dematerialized form: CDSL	1282490	42.75%
Shares held in physical form	51601	1.72%

**Outstanding GDRs/ADRs/Warrants or any Convertible instruments:**

The Company has not issued any ADRs /GDRs/Warrants/Stock Options or any other convertible instruments.

**Plant Location:** The Company does not have any Manufacturing or Processing plant.

**Address for correspondence:**

Khatod Investments & Finance Co Ltd  
1, Ramesh Mitra Road, Third Floor, Kolkata-700025

Contact No- 033 4450 0500

E-mail- khatodinv@gmail.com

Website: [www.khatodinv.com](http://www.khatodinv.com)

**For and on behalf of the Board**

**Date: 30<sup>th</sup> May, 2022**

**Place: Kolkata**

**Manisha Pincha**  
**Whole-time Director**  
**DIN: 07143031**

**Compliance with Code of Conduct for Directors and Senior Management Personnel**

**DECLARATION**

"Pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Manisha Pincha, Whole-time Director of Khatod Investments & Finance Co Ltd, on the basis of confirmations/declarations received, hereby confirm that all the Members of the Board and Senior Management of the Company have complied with the Company's Code of Conduct for the Board of Directors and Senior Management Personnel for the financial year 2021-22."

**Date: 30<sup>th</sup> May, 2022**

**Place: Kolkata**

**Manisha Pincha**  
**Whole-time Director**  
**DIN: 07143031**

**CEO-CFO CERTIFICATION**

**To,  
The Board of Directors,  
Khatod Investments & Finance Co Ltd**

We hereby certify to the Board that:

- a) We have reviewed the financial statement and the cash flow statement for the year ended 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the 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 year ended 31<sup>st</sup> March, 2022 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 have indicated to the Auditors and the Audit Committee that there are no:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which 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.

For, **Khatod Investments & Finance Co Ltd**

**Date: 30<sup>th</sup> May, 2022**

**Place: Kolkata**

**Manisha Pincha  
Whole Time Director  
DIN: 07143031**

**Krishna Gopal Halder  
Chief Financial Officer**

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE  
GOVERNANCE

To,  
The Board of Directors,  
M/s Khatod Investments & Finance Co Ltd  
1, Ramesh Mitra Road,  
Third Floor, Kolkata - 700025

1. I, Prachi Todi, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by **M/s Khatod Investments & Finance Co Ltd** (hereinafter referred to as "**the Company**"), for the year ended on 31<sup>st</sup> March 2022 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(hereinafter referred to as "**the Listing Regulations**").

Management's Responsibility

2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

My Responsibility

3. My examination is limited to examining the 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 the opinion on the financial statements of the Company.

Opinion

4. In my opinion, and to best of my information and according to explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations to the extent applicable to the Company.
5. I further state that such compliance is neither 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.

**Prachi Todi**  
**Practicing Company Secretary**  
M. No.: 53022  
C.P. No.: 22964  
Peer Review Certificate No. 1445/2021  
UDIN: A053022D000428111

**Date: 30<sup>th</sup> May, 2022**  
**Place: Kolkata**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**To,**  
**The Board of Directors,**  
**M/s Khatod Investments & Finance Co Ltd**  
**1, Ramesh Mitra Road,**  
**Third Floor, Kolkata - 700025**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s Khatod Investments & Finance Co Ltd**, CIN:L65993WB1990PLC084695 and having registered office at **1, Ramesh Mitra Road, Third Floor** (hereinafter referred to as 'the Company'), as produced before me 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ending 31<sup>st</sup> March, 2022, have been debarred or disqualified from being appointed or continuing as Directors by the Securities & Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

<b>Sl. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Designation</b>	<b>Date of Original Appointment</b>
1.	MANISHA PINCHA	07143031	Whole-time & Woman Director	27/03/2015
2.	PRADEEP KUMAR HIRAWAT	00047872	Independent Director	30/12/2005
3.	MANISH JAIN	00578028	Independent Director	30/12/2005
4.	SHAMBHU CHOUBEY	06565599	Non-executive Director	10/05/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on the 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.

**Prachi Todi**  
**Practicing Company Secretary**  
**M. No.: 53022**  
**C.P. No.: 22964**  
**Peer Review Certificate No. 1445/2021**  
**UDIN: A053022D000427737**

**Date: 30<sup>th</sup> May, 2022**  
**Place: Kolkata**

## INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF  
KHATOD INVESTMENTS & FINANCE CO LTD

### **Report on the Audit of the financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of KHATOD INVESTMENTS & FINANCE CO LTD ('the Company'), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to explanatory information ('the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year then ended.

#### **Basis of Opinion**

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

#### **Key audit matters**

We have determined that there are no key audit matters to communicate in our report.

#### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to 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 Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those board of directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 and Board or Directors.

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

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### **Other matters**

Attention is drawn to the fact that the audited financial statements of the Company for the year ended 31 March 2021 were audited by erstwhile auditors, expressed an unmodified opinion on those audited financial statements. Our opinion is not modified in respect of this matter.

### **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, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of section 164(2) of the Act; and
  - f) With respect to adequacy of internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in " Annexure B
  - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V to 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 does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

- iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
- iv) The Management has represented that, to the best of it's 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 person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.
- v) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.
- vi) In our opinion and according to the information and explanations given to us, the dividend declared during the year is in compliance with Section 123 of the Act.

**For Komandoor & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No. 001420S/S200034**

**Sanjay Shaw**  
**Partner**  
**M. No. 305966**  
**UDIN: 22305966AJWIUH2247**

**Date : 30/05/2022**

Annexure A to the Independent Auditor's report on the financial statements of KHATOD INVESTMENTS & FINANCE CO LTD 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)

(i)(a)(A) The Company does not have any Property, plant and equipment, hence this clause is not applicable to the Company.

(B) The Company does not have any Intangible Assets, hence this clause is not applicable to the Company.

(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) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the items over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(ii)(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii)(a) The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(b) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(c )In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(d) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(e) No loan granted by the Company 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) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or 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, hence this clause is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, Sec 148(1) is not applicable to the company, hence this clause is not applicable to the Company.

(vii) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(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) (a) 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 loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) 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 declared a wilful defaulter by any bank or financial institution or government or government authority

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) 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 as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) 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 as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x)(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi)(a) 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

(b) 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.

(c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 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 financial statements as required by the applicable Indian Accounting Standards.

(xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company does not have any internal audit system in the Company.

(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)(a) The Company has taken the registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) M/s VKR & Associates, the statutory auditors of the Company have resigned from Company. As informed, there have been no issues, objections or concerns raised by the said 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 realisation 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, CSR is not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) Reporting under clause xxi of the Order is not applicable at the level of reporting.

**For Komandoor & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No. 001420S/S200034**

**Sanjay Shaw**  
**Partner**  
**M. No. 305966**  
**UDIN: 22305966AJWIUH2247**

**Date : 30/05/2022**

Annexure B to the Independent Auditor's Report on the financial statements of KHATOD INVESTMENTS & FINANCE CO LTD for the year ended 31 March 2022

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause(i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in Paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

### **Opinion**

We have audited the internal financial controls with reference to financial statements of KHATOD INVESTMENTS & FINANCE CO LTD ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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



under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

**For Komandoor & Co LLP  
Chartered Accountants  
Firm Reg. No. 001420S/S200034**

**Sanjay Shaw  
Partner  
M. No. 305966  
UDIN: 22305966AJWIUH2247**

**Date : 30/05/2022**

**KHATOD INVESTMENTS & FINANCE CO LTD**

**CIN No. L65993WB1990PLC084695**

**Balance Sheet as at 31st March, 2022**

(Amount in Rs.' 00)

Particulars	Note No.	For year ended 31/03/2022	For year ended 31/03/2021
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3	316.27	527.87
(b) Loans	4	3,799.80	70,466.25
(c) Other Financial assets	5	47,887.48	-
<b>(2) Non-financial Assets</b>			
(a) Inventories	6	68,82,382.35	57,96,878.30
(b) Current tax assets (Net)	7	377.11	3,488.86
(c) Deferred tax Assets (Net)		1,275.00	1,275.00
<b>Total Assets</b>		<b>69,36,038.01</b>	<b>58,72,636.28</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Other financial liabilities	8	-	1,352.21
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	9	-	6,601.08
(b) Provisions	10	5,080.01	5,080.01
(c) Other non-financial liabilities	11	341.80	32.00
<b>(3) EQUITY</b>			
(a) Equity Share capital	12A	3,00,220.00	3,00,220.00
(b) Other Equity	12B	66,30,396.20	55,59,350.98
<b>Total</b>		<b>69,36,038.01</b>	<b>58,72,636.28</b>
<b>Liabilities and Equity</b>		<b>69,36,038.01</b>	<b>58,72,636.28</b>

*The accompanying notes are an integral part of the Financial Statements*

**For Komandoor & Co. LLP**

Chartered Accountants

Firm Registration No. 001420S/S200034

**Sanjay Shaw**

(Partner)

Membership No. 305966

Date: 30th day of May, 2022

Place: Kolkata

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

**Manisha Pincha**

Wholetime Director

DIN: 07143031

**Pradeep Kumar Hirawat**

Director

DIN: 00047872

**Krishna Gopal Halder**

Chief Financial Officer

**Anushree Chowdhury**

Company Secretary

**KHATOD INVESTMENTS & FINANCE CO LTD**

**CIN No. L65993WB1990PLC084695**

**Statement of Profit and Loss for the period ended on 31st March, 2022**

(Amount in Rs.' 00)

	<b>Particulars</b>	<b>Note No.</b>	<b>For year ended 31/03/2022</b>	<b>For year ended 31/03/2021</b>
(i)	Revenue from operations	13	3,747.53	4,736.40
(I)	<b>Total Revenue from operations</b>		<b>3,747.53</b>	<b>4,736.40</b>
(II)	Other Income (to be specified)	14	112.19	40,171.70
(III)	<b>Total Income (I+II)</b>		<b>3,859.72</b>	<b>44,908.10</b>
	<b>Expenses</b>			
(i)	Changes in inventories		-	-170.68
(ii)	Employee Benefits Expenses	15	13,474.36	13,982.92
(iii)	Depreciation, amortization and impairment		-	-
(iv)	Others expenses (to be specified)	16	2,530.57	2,352.35
(IV)	<b>Total Expenses (IV)</b>		<b>16,004.93</b>	<b>16,164.59</b>
(V)	Profit / (loss) before exceptional items and tax (III-IV)		-12,145.21	28,743.51
(VI)	Exceptional items			
(VII)	Profit/(loss) before tax (V -VI)		-12,145.21	28,743.51
(VIII)	Tax Expense:			
	(1)Current Tax		-	6,000.00
	(2)Deferred Tax		-	-
	(3)Earlier Year Tax		1,750.62	-
(VIII)	<b>Profit/(loss) for the period for continuing operations (IX+XII)</b>		<b>-13,895.83</b>	<b>22,743.51</b>
(IX)	<b>Other Comprehensive Income</b>			
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)			

	(ii) Income tax relating to items that will not be reclassified to profit or loss <b>Subtotal (A)</b>			
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts) (ii) Income tax relating to items that will be reclassified to profit or loss <b>Subtotal (B)</b>		10,84,941.05	3,17,483.00
	<b>Other Comprehensive Income (A + B)</b>		10,84,941.05	3,17,483.00
(X)	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>		<b>10,71,045.22</b>	<b>3,40,226.51</b>
(XI)	<b>Earnings per equity share (for continuing operations)</b> Basic (Rs.) Diluted (Rs.)		(0.46) (0.46)	0.76 0.76

See accompanying notes to the financial statements

*The accompanying notes are an integral part of the Financial Statements*

For and on behalf of the Board of Directors

**For Komandoor & Co. LLP**

Chartered Accountants

Firm Registration No.

001420S/S200034

**Sanjay Shaw**

(Partner)

Membership No. 305966

Date: 30th day of May, 2022

Place: Kolkata

**Manisha Pincha**

Wholetime Director

DIN: 07143031

**Pradeep Kumar Hirawat**

Director

DIN: 00047872

**Krishna Gopal Halder**

Chief Financial Officer

**Anushree Chowdhury**

Company Secretary

## Cash Flow Statement for the Year ended on 31st March, 2022

(Amount in Rs.' 00)

	For the Period		For the Period	
	31st March 2022		31st March 2021	
<b>A.</b>				
Net profit before tax as per Statement of Profit & Loss		-12,145.21		28743.5102
Adjustments for				
Contingent Provisions against Standard Assets	-		142.43	
Interest on Income Tax Refund	-		-	
		-		142
		<b>-12,145.21</b>		<b>28,886</b>
(Increase) / Decrease in Inventories	563		-170.68	
(Increase) / Decrease in Trade Payable	1352.21		-32359.18	
(Increase) / Decrease in Other Financial Liabilities	-6601.08		0	
(Increase) / Decrease in Other Financial Assets	(47,887)		61000	
(Increase) / Decrease in Non Financial Assets	-3111.75		443.18	
(Increase) / Decrease in Loan Given	<b>66,666</b>		-56971.65	
(Increase) / Decrease in Other Non Financial liabilities	310		-0.5	
Increase / (Decrease) in Other liabilities	-3		-	
		11,288.15		(28,059)
Cash generated from operations		-857.06		827
Less: Direct taxes paid/ Refunds including Interest (Net)		645.46		-767.02
Net cash Generated/(used) from operating activities		<b>-211.60</b>		<b>60</b>
<b>B.</b>				
Sale of Fixed Assets	-		-	-
		-		-
<b>Net cash from investing activities</b>				
<b>C. Cash flow from financng activities :</b>				
Proceeds / (Repayment) of borrowings	-		-	-
Proceeds / (Repayment) of Short term borrowings	-		-	-
		-		-
		-		-
Net Cash Flow		-211.60		60.09
Opening Cash & Cash Equivalents		527.87		467.78
Closing Cash & Cash Equivalents		<b>316.27</b>		<b>527.87</b>
		13.67		15.67
		302.60		512.21
		<b>316.27</b>		<b>527.87</b>

This is the Cash Flow Statement referred to in our report of even date

As per our Report of even date

**For Komandoor & Co. LLP**

Chartered Accountants

Firm Registration No. 001420S/S200034

**Sanjay Shaw**

(Partner)

Membership No. 305966

Kolkata

Date: 30th day of May, 2022

**For and on behalf of the Board of Directors**Manisha Pincha  
Wholetime Director  
DIN: 07143031Pradeep Kumar Hirawat  
Director  
DIN: 00047872Krishna Gopal Halder  
Chief Financial OfficerAnushree Chowdhury  
Company Secretary

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1. Corporate Information:**

The Company is registered as a Non Banking Financial (Non-Deposit Accepting or Holding) Company as defined under Section 45-IA of the Reserve Bank of India Act, 1934, having Registration No. B.05.04446. The Company is principally engaged in lending and investing activities. The registered office is at 1, Ramesh Mitra Road, Kolkata - 700025, West Bengal.

**2. Significant Accounting Policies:**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company has adopted IND AS from 1st April, 2019.

**2.2 Basis of Accounting, Preparation of Financial Statements and Use of Estimates**

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future period.

The Company complies in all material aspects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the directions issued by the Reserve Bank of India in terms of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

**2.3 Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**2.4 Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of in cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### **2.5 Cash Flow Statement**

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Group are segregated and 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.

### **2.6 Inventories**

Inventories being shares have been taken at fair value as per Ind AS 109, after adoption of Ind As accordingly appropriate re-measurements have been made.

### **2.7 Revenue Recognition**

Items of Income & Expenditure are accounted for on accrual basis unless otherwise stated in these accounts.

Interest Income is recognized as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable except in the case of non-performing assets("NPAs") where it is recognized, upon realization.

Dividend income is recognized when the right to receive is established.

### **2.8 Employee Benefits**

The undiscounted amount of Short Term Employee Benefits expected to be paid in exchange of service rendered by the employees is recognized on actual basis in the Statement of Profit and Loss in the year when the employee actually renders service.

### **2.9 Taxation**

Taxes on income comprises of current taxes and deferred taxes.

**Current tax** in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period along with the Income Computation and disclosure standards, together with any adjustment to tax payable in respect of previous years.

**Deferred tax** is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously

### **2.10 Contingent Liability**

Liabilities which are contingent in nature are not provided for in the accounts and the same are separately disclosed by way of notes to account.



### **2.11 Provisions**

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Provisions for standard assets & for Non-Performing assets are made as per notification DNBR.PD.007/03.10.119/2016-17 dated September 1, 2016 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

### **2.12 Earnings per share**

Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

### **2.13 Financial Assets**

**Recognition:** Financial assets include Cash and cash equivalents and Loans. Such assets are initially recognized at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

### **2.14 Financial Liabilities**

Payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

# KHATOD INVESTMENTS & FINANCE CO LTD

CIN No. L65993WB1990PLC084695

## Notes forming part of Financial Statements

(Amount  
in Rs.' 00)

	For year ended 31/03/2022	For year ended 31/03/2021
<b>Note 3</b>		
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
<b><u>Cash &amp; Bank Balances</u></b>		
Cash on hand (As certified by management)	13.665	15.665
Balance with Banks on Current Accounts	302.6008	512.2052
<b>TOTAL</b>	<b>316.27</b>	<b>527.87</b>
<b>Note 4</b>		
<b><u>Loans(Including Interest accrued) Unsecured, Considered Good)</u></b>		
- Related Parties	3799.8	70466.25
- Other than Related Parties	-	-
<b>(A)</b>	<b>3,799.80</b>	<b>70,466.25</b>
Others (Unsecured considered doubtful)		
- Other than Related Parties	5941.06	5941.06
Less: Provision for NPA	-5941.06	-5941.06
<b>(B)</b>	<b>-</b>	<b>-</b>
<b>(A+B)</b>	<b>3,799.80</b>	<b>70,466.25</b>
<b>Note 5</b>		
<b><u>Other Financial Assets</u></b>		
Advance against purchase of Land	47887.48	-
	<b>47,887.48</b>	<b>-</b>
<b>Note 6</b>		
<b><u>Inventories</u></b> <i>(as taken valued and certified by management)</i>		
Stock in trade	6882382.354	5796878.302
	<b>68,82,382.35</b>	<b>57,96,878.30</b>

<b>Note</b>			
<b>7</b>	<b><u>Current Tax Assets (Net)</u></b>		
	Balance with Revenue Authorities	377.11	3488.86
		<hr/>	<hr/>
		377.11	3,488.86
		<hr/> <hr/>	<hr/> <hr/>
<b>Note</b>			
<b>8</b>	<b><u>Other financial Liabilities</u></b>		
	Book Overdraft due to excess issue of cheques	-	1352.21
		<hr/>	<hr/>
		-	1,352.21
		<hr/> <hr/>	<hr/> <hr/>
<b>Note</b>			
<b>9</b>	<b><u>Current Tax Liabilities</u></b>		
	Provisions for tax	-	6601.08
		<hr/>	<hr/>
		-	6,601.08
		<hr/> <hr/>	<hr/> <hr/>
<b>Note</b>			
<b>10</b>	<b><u>Provisions</u></b>		
	Provision for Employee Benefit	4903.84	4903.84
	Contingent provision against standard assets	176.17	176.17
		<hr/>	<hr/>
		<b>5,080.01</b>	<b>5,080.01</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Note</b>			
<b>11</b>	<b><u>Other Non Financial Liabilities</u></b>		
	Statutory Dues	46.8	32
	Audit Fees payable	295	-
		<hr/>	<hr/>
		<b>341.80</b>	<b>32.00</b>

# KHATOD INVESTMENTS & FINANCE CO LTD

(Amount  
in Rs.' 00)

## Note 12A

### A. Equity Share Capital

Balance at the beginning of the reporting period	Note No.	Balance at the end of the reporting period
Balance as at 01/04/2019		3,00,220
Changes in Equity Share Capital during the year		-
Balance as at 31/03/2020		3,00,220
Changes in Equity Share Capital during the year		-
Balance as at 31/03/2021		3,00,220

	As at 31.03.2022	As at 31.03.2021
<b>Authorised Share Capital</b>		
3010000 equity shares of Rs. 10 each	301000	301000
<b>Issued, Subscribed &amp; Paid Up</b>		
3002200 equity shares of Rs. 10 each fully paid up in cash	300220	300220
<b>Par value per share</b>		
	10.00	10.00
<b>Reconciliation of Number of Shares and amount outstanding at the beginning and at the end of the year</b>		
Shares at the beginning of the Accounting Period		
30,02,200 Equity shares of `10/- each fully paid up	300220	300220
Additions during the Year	-	-

Shares at the end of the Accounting Period

30,02,200 Equity shares of `10/- each fully paid up                      300220    300220

**Rights, Preferences & Restrictions attaching to shares and restrictions on repayment of capital**

The Company has only one class of Equity Shares having par value of Rs 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend.

**Details of shareholder holding more than 5% share**

	<b>%</b>	<b>No. of</b>	<b>%</b>	<b>No. of</b>
	<b>shares</b>	<b>shares</b>	<b>shares</b>	<b>shares</b>
Vinod Dugar	45.56%	1367800	45.56%	1367800
Namokar Duplicating Pvt Ltd	14.77%	443500	14.77%	443500
Paramdham Mercantile Pvt Ltd	12.32%	370000	12.32%	370000

<b>Disclosure of Shareholding of Promoters as at 31.03.2022</b>				
Name of the Promoters	Shares held by Promoters			
	As at 31.03.2022		As at 31.03.2021	
	No of Shares	% of Total Shares	No of Shares	% of Total Shares
Vinod Dugar	1367800	45.56	1E+06	45.56
Sheetal Dugar	150000	5	150000	5
Kusum Devi Dugar	100000	3.33	100000	3.33
Sunder Lal Dugar	80100	2.67	80100	2.67
Rekha Jhabak	35300	1.18	35300	1.18
Ankur Constructions Pvt Ltd	64900	2.16	64900	2.16
Loka Properties Pvt Ltd	64200	2.14	64200	2.14

#### B. Other Equity

Particulars	Reserves and Surplus					Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
	Statutory Reserves	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings							
Balance as at 31/03/2019	18794.69	-	-	-	105472.66	5561111.87	-	-	-	-	-	56,85,379.22
Profit for the Year	-	-	-	-	-1118.38	-	-	-	-	-	-	-1,118.38
Total Comprehensive Income for the year	-	-	-	-	-	-465136.3712	-	-	-	-	-	-4,65,136.37
Balance as at 31/03/2020	18,794.69	-	-	-	1,04,354.28	50,95,975.50	-	-	-	-	-	52,19,124.46
Profit for the Year	-	-	-	-	22,743.51	-	-	-	-	-	-	22,743.51
Transfer to Statutory Reserve as per RBI	4,548.70	-	-	-	-4,549.00	-	-	-	-	-	-	-0.00
Total Comprehensive Income for the year	-	-	-	-	-	3,17,483.00	-	-	-	-	-	3,17,483.00
Balance as at 31/03/2021	23,343.39	-	-	-	1,22,548.79	54,13,458.50	-	-	-	-	-	55,59,350.98
Total Comprehensive Income for the year	-	-	-	-	-13,895.83	10,84,941.05	-	-	-	-	-	10,71,045.22
Balance as at 31/03/2022	23,343.39	-	-	-	1,08,652.96	64,98,399.55	-	-	-	-	-	66,30,396.20

# **KHATOD INVESTMENTS & FINANCE CO LTD**

## **Notes forming part of Financial Statements**

(Amount in  
Rs.' 00)

		For year ended 31/03/2022	For year ended 31/03/2021
<b>Note 13</b>	<b><u>Revenue From Operations</u></b>		
	Sale of Securities	0	175.39
	Interest Earned on Loans Given	3673.13	4561.01
	Interest on I.Tax Refund	74.4	0
		3,747.53	4,736.40
<b>Note 14</b>	<b><u>Other Income</u></b>		
	Sundry Balances written back (Net)	112.19	-
	Income From Insurance	-	40171.7
		112.19	40,171.70
<b>Note 15</b>	<b><u>Employee Benefit Expenses</u></b>		
	Salary & Bonus	4474.36	4982.92
	Director Remuneration	9000	9000
	Provision for Gratuity	-	-
		13,474.36	13,982.92
<b>Note 16</b>	<b><u>Other Expenses</u></b>		
	<u>Administrative Expenses:</u>		
	Auditors' Remuneration		
	Statutory Audit Fees	295	177
	Other Services	0	59
	Advertisement & Publicity	238.35	170.1
	Custodial Charges	212.4	318.6
	Bank Charges	10.8088	4.82
	Professional Fees	873	652
	Filing Fees	177.118	108
	Rates & Taxes	46.5	47
	Printing & Stationery	37.5	1.04
	Postage & Telegram	49.53	0
	Listing Fees	295	295
	S.Balance written off	0	27.1
	General Expenses	122.08	350.2598
	Demat Charges	55.2876	0
	Foreign Investment Monitoring Charges	118	0
	Contingent Provision against standard assets created/(Written Back)	0	142.43
		2,530.57	2,352.35

**17 Analytical ratios**

The Company is termed as an Unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020 and is not exposed to any regulatory imposed capital requirements. Thus, the following analytical ratios are not applicable to the Company:

1. Capital to risk-weighted assets ratio (CRAR)
2. Tier I CRAR
3. Tier II CRAR
4. Liquidity Coverage Ratio.

**18. Related Party Disclosure**

Parties where the control/significant influence exists :

( Related parties relationship is as identified by the Company and relied upon by the Auditors)

<b>Key Management Personnel</b>	<b>Designation</b>
Manisha Pincha	Whole Time Director
Krishna Gopal Halder	Chief Financial Officer
Ms. Sweta Singh*	Company Secretary (resigned w.e.f 27.01.2022)
Ms. Anushree Chowdhury ^	Company Secretary (Appointed w.e.f 30.05.2022)
<i>*Appointed w.e.f. 19.06.2021 and resigned w.e.f. 27.01.2022</i>	
<i>^Appointed w.e.f. 30.05.2022</i>	
<b>Other Directors</b>	<b>Designation</b>
Shambhu Choubey	Non-Executive Director
Manish Jain	Non Executive / Independent Director
Pradeep Kumar Hirawat	Non Executive / Independent Director
<b>Other Related Parties where transaction exists</b>	
Alok Nirmaan Private Limited	
NTC Industries Ltd.	
Oswal Enclave Pvt. Ltd.	
RDB Reality & Infrastructure Limited	
Samspa Expo Private Limited	
Alok Nirmaan Private Limited	
Alok Niwas Private Limited	
Ankur Construction Private Limited	
Bidyut Kutir nirman Private Limited	
Modak Vyapaar Private Limited	
RD Devcon Private Limited	



Following are the transactions with related parties as defined under **IND Accounting Standard -24** on related party disclosures issued by Institute of Chartered Accountants of India.

Sl. No.	Name of Party	Relationship	Nature of Transaction & Amount Involved		Closing Balance
1	Manisha Pincha	Director	Remuneration	9000.00	Nil
				(9000.00)	
2	Krishna Gopal Halder	CFO (KMP)	Remuneration	1716.00	Nil
				(1672.00)	
3	Ms. Sweta Singh	Company Secretary (KMP)	Remuneration	2508.36	Nil
				Nil	
4	Alok Nirmaan Private Limited	Under same Group	Loans Given	101.48	Nil
				(101.48)	
5	Alok Nirmaan Private Limited	Under same Group	Loans Repaid (incl Interest)	103.38	Nil
6	Modak Vyapaar Private Limited	Under same Group	Loans Given	10524.57	Nil
				(10524.57)	
7	Modak Vyapaar Private Limited	Under same Group	Loans Repaid (incl Interest)	10631.58	Nil
8	NTC Industries Ltd.	Under same Group	Investments	966825.64	966825.64
				(515425.38)	(515425.38)
9	Oswal Enclave Pvt. Ltd.	Under same Group	Investments	19790.97	19790.97
				(19957.39)	(19957.39)
10	RDB Reality & Infrastructure Limited	Under same Group	Investments	1058423.44	1058423.44
				(503306.25)	(503306.25)
11	Samspa Expo Private Limited	Under same Group	Investments	31007.09	31007.09
				(30983.33)	(30983.33)
12	Alok Nirmaan Private Limited	Under same Group	Investments	8044.95	8044.95
				(8034.38)	(8034.38)
13	Alok Niwas Private Limited	Under same Group	Investments	17668.07	17668.07
				(6942.20)	(6942.20)
14	Ankur Construction Private Limited	Promoter	Investments	14070.62	14070.62
				(14092.21)	(14092.21)
15	Bidyut Kutir nirman Private Limited	Under same Group	Investments	8385.19	8385.19
				(8438.01)	(8438.01)
16	Modak Vyapaar Private Limited	Under same Group	Investments	41193.89	41193.89
				(52361.88)	(52361.88)
17	RD Devcon Private Limited	Under same Group	Investments	94466.28	94466.28
				(80220.33)	(80220.33)

Note : Previous year figure have been given in bracket

# KHATOD INVESTMENTS & FINANCE CO LTD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 19

19.1 There are no Micro, Small & Medium enterprises to which the company owes dues, which are outstanding for more than 45 days as at the Balance Sheet date. The micro, small and medium enterprises have been identified on the basis of information available with the company. This has been relied upon by the auditors.

19.2 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realized in ordinary course of business. The provision for all known liabilities is adequate. There is no contingent liabilities except stated, as informed by the Management.

### 19.3 Earnings per share in accordance with Ind AS - 33:

Earnings per share from continuing operations is computed as under:	2021-22	2020-21
Profit available for Ordinary Equity Shareholders (Rs.) (A)	(1389584)	2274361.02
Weighted average number of Equity Shares outstanding (B)	3002200	3002200
Face value per share	10	10
Earnings per Equity share - Basic & Diluted (A / B) (Rs.)	(0.46)	0.76

19.4 Information pursuant to Paragraph 18 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, is given in Annexure-I.

19.5 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our Report of even date

For and on behalf of the Board

**For Komandoor& Co. LLP**

Chartered Accountants

Firm Registration No.

001420S/S200034

**Mrs. Manisha Pincha**

Whole-time Director

DIN: 07143031

**Mr. Pradeep Kumar Hirawat**

Director

DIN: 00047872

**Sanjay Shaw**

(Partner)

Membership No. 305966

**Mr. Krishna Gopal Halder**

Chief Financial Officer

**Ms. Anushree Chowdhury**

Company Secretary

Kolkata, the 30<sup>th</sup> day of May, 2022

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# KHATOD INVESTMENTS & FINANCE CO LTD

Annexure - I to the

Balance sheet of a Non Deposit taking Non-Banking Financial Company as at 31.03.2022

[as required in terms of paragraph 18 of Non-Banking Financial Company –Non-Systemically Important  
Non-Deposit taking Company (Reserve Bank) Directions, 2016]

(Amount in lakhs)

	Particulars		
	<b>Liabilities Side :</b>		
<b>(1)</b>	<b>Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :</b>	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(Other than falling within the meaning of public deposits *)		
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits*	NIL	NIL
	(g) Other Loans	NIL	NIL
	<i>* Please see Note 1 below</i>		
<b>(2)</b>	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	(a) In the form of Unsecured Debentures	NIL	NIL
	(b) In the form of of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
	(c) Other public deposits	NIL	NIL
	<i>* Please see Note 1 below</i>		
	<b>Assets side:</b>		
		Amount Outstanding	
<b>(3)</b>	<b>Break-up of Loans and Advances including bills receivables [ Other than those included in (4) below ] :</b>		
	(a) Secured	NIL	
	(b) Unsecured	51.69	
<b>(4)</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities :</b>		
	(i) Lease assets including lease rentals under sundry debtors.		
	(a) Financial Lease	NIL	

	(b) Operating Lease	NIL
(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	NIL
	(b) Repossessed Assets.	NIL
(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	NIL
	(b) Loans other than (a) above	NIL
<b>(5) Break - up of Investments :</b>		
Current Investments :		
	1 Quoted :	
	(i) Share : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please Specify)	NIL
	2 Unquoted :	
	(i) Share : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please Specify)	NIL
Long Term Investment :		
	1 Quoted :	
	(i) Share : (a) Equity	2,053.81
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please Specify)	NIL
	2 Unquoted :	
	(i) Share : (a) Equity	4,828.57
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please Specify)	NIL

<b>(6)</b>	<b>Borrower group-wise classification of assets financed as in (3) and (4) above</b>				
	<i>Please see Note 2 below</i>				
	Category		Amount net of provisions		
			Secured	Unsecured	Total
	1. Related Parties **				
	(a) Subsidiaries		NIL	NIL	NIL
	(b) Companies in the same group		NIL	-	-
	(c) Other related parties		NIL	NIL	NIL
2. Other than related parties					
Total		NIL	51.56	51.56	

<b>(7)</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>		
	<i>Please see Note 3 below</i>		
	Category	Market Value / Break up value or NAV	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	2,260.00	2,260.00
	(c) Other related parties	NIL	NIL
	2. Other than related parties		
Total	6,882.38	6,882.38	
** As per Accounting Standard of ICAI (Please see Note 3)			

<b>(8) Other Information</b>		
<b>Particulars</b>		<b>Amount</b>
( i )	Gross Non-Performing Assets	
	(a) Related parties	NIL
	(b) Other than related parties	5.94
( ii )	Net Non-Performing Assets	
	(a) Related parties	NIL
	(b) Other than related parties	NIL
( iii )	Assets acquired in satisfaction of debt	NIL

Notes

- As defined in point xxiv of paragraph 3 of Chapter -2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.