

**BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Dear Members,

Your Directors are pleased to present their Twenty-Fourth Report together with Audited Financial Statements for the financial year ended March 31, 2021:

**FINANCIAL HIGHLIGHTS:**

The summary of financial performance of the Company for the year under review is as given below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Total Income</b>	<b>1,508.00</b>	<b>3,106.90</b>	<b>2,902.72</b>	<b>8,190.84</b>
<b>Profit before Depreciation &amp; Tax</b>	<b>1,293.59</b>	<b>2,444.11</b>	<b>2,589.90</b>	<b>7,036.70</b>
(-) Depreciation	2.16	0.85	2.16	0.85
<b>Profit/(Loss) before Tax</b>	<b>1,291.43</b>	<b>2,443.26</b>	<b>2,587.74</b>	<b>7,035.85</b>
(-) Tax Expenses	425.04	(103.48)	757.87	(168.96)
<b>Profit/(Loss) after Tax</b>	<b>866.39</b>	<b>2,546.74</b>	<b>1,829.87</b>	<b>7,204.81</b>
(+) Other Comprehensive Income	1,04,512.70	(63,451.94)	2,61,808.36	(1,44,421.28)
<b>Total Comprehensive Income for the year</b>	<b>1,05,379.09</b>	<b>(60,905.20)</b>	<b>2,63,638.23</b>	<b>(1,37,216.47)</b>

**FINANCIAL PERFORMANCE:**Revenue:

On a standalone basis, the total income for FY 2020-21 was ₹ 1,508 lakhs which was lower as compared to revenue of ₹ 3,106.90 lakhs of the previous year, mainly due to lower dividend income, which was ₹ 301.40 lakhs for FY 2020-21 as compared to ₹ 3,092.06 lakhs in the previous year. There was a net gain on fair value change of Mutual Funds and other investments, which was ₹ 1,186.92 lakhs for FY 2020-21 as compared to Net loss of ₹ (432.97) lakhs in the previous year for Standalone financial statements. For consolidated financial statements, revenue was ₹ 2,902.72 lakhs which was lower as compared to ₹ 8,190.84 lakhs in the previous year, mainly due to lower dividend income, which was ₹ 537.69 lakhs for FY 2020-21 as compared to ₹ 8,130.43 lakhs in the previous year. Net gain on fair value changes of Mutual Funds and other investments was ₹ 2,245.51 lakhs for FY 2020-21 as compared to Net loss of ₹ (809.98) lakhs in the previous year. The cashflow arising from the profits for the year has been deployed in the business.

Other Comprehensive Income includes fair valuation of the equity investments made by the Company and taxes on the same. Due to the Covid-19 pandemic, the Indian equity market was significantly impacted, affecting the investment valuations as on March 31, 2020. However as on March 31, 2021 the valuations have substantially improved in line with the bounce back in stock markets during the current year.

Expenses:

The total expenses for FY 2020-21 were ₹ 216.57 lakhs as compared to expenses of ₹ 663.64 lakhs for the previous year. The decrease is mainly on account of Net loss on fair value changes which was Nil for the FY 2020-21 as against Net loss on fair value changes of ₹ 432.97 lakhs in the previous year.

Profit After Tax:

Standalone Profit after Tax (PAT) for FY 2020-21 was ₹ 866.39 lakhs as compared to PAT of ₹ 2,546.74 lakhs during the previous year mainly due to decrease in dividend income and increase in Net Gain on fair value changes of Mutual Funds and other investments which was ₹ 1,186.92 lakhs for FY 2020-21 as compared to Net loss of ₹ (432.97) lakhs in the previous year. The cashflow arising from the profits for the year has been deployed in the business.

Consolidated Profit after Tax (PAT) for FY 2020-21 was ₹ 1,829.87 lakhs in comparison to PAT of ₹ 7,204.81 lakhs during the previous year mainly due to decrease in dividend income and increase in Net Gain on fair value changes of Mutual Funds and other investments was ₹ 2,245.51 lakhs for FY 2020-21 as compared to Net loss of ₹ (809.98) lakhs in the previous year. The cashflow arising from the profits for the year has been deployed in the business.

Amounts to be carried to reserves:

An amount of ₹ 173.28 lakh have been transferred to Statutory Reserve as per the statutory requirements for

**SUMMIT SECURITIES LIMITED**

standalone financial statement. The Company has not transferred any amount to General Reserves during the year.

**DIVIDEND:**

With a view to conserve resources and based on liquidity position including working capital requirements, your Directors consider it prudent not to recommend any dividend for the year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS:****a. Industry Structure & Developments, Opportunities and Future Outlook:**

The COVID 19 pandemic, has severely disrupted the world economy in the last year and a half. The pandemic has hit every country in the world and India has been no exception. For the last several months, lockdowns, uncertainties on recurrence of waves and ensuing panic paralysed most economic activities in both developed and developing economies.

India is experiencing an uneven economic recovery with some sectors performing better than others. The growth rate was (-)7.3 % for Fiscal FY 2021 and as per recent Economic Survey, India's real GDP growth for FY 2021-22 is projected at early double digits, though the occurrence of subsequent waves could impact the economy. Recovery is underway, as demonstrated by a sustained resurgence in indicators such as power demand, e-way bills, GST collections, steel consumption, higher exports etc. However, the downside risk includes the possibility of further waves of the virus, vaccination delays, inflation caused by increase in commodity and fuel prices and stress in the banking and financial sector.

The Company is a Non-Banking Financial Company ('NBFC') registered with RBI as a Non-Deposit Accepting NBF1 and derives major revenue from investments. Also, the value of the stocks, shares and bonds depends on the prevailing capital markets scenario. The future success of the Company continues to depend on its ability to anticipate the volatility of the financial markets, minimising risks and increasing returns through prudent investment decisions.

The investments of the Company are typically long term in nature and predominantly in the equity markets. The Company invests in Companies, where it is part of the promoter group entity from long-term perspective. All investments decisions are reviewed by the Board of Directors on a periodic basis.

**b. Risks, Threats and Concerns:**

Risk management comprises of identification, assessment, and prioritization of risks followed by co-ordinated and economical application of resources to minimize, monitor and control the probability and/ or impact of unfortunate events or to maximize the realization of opportunities.

The Risk Management Committee ('RMC') of the Board of Directors manages and monitors the

Company's risks, as detailed herein below under the heading "Risk Management Process".

**c. Internal control systems and their adequacy:**

The Company has an adequate internal audit and control system commensurate with its size and nature of business to ensure operational efficiency, accuracy and promptness in financial reporting and compliance of various laws and regulations. The Audit Committee of the Board of Directors reviews the Internal Audit Report and the adequacy and effectiveness of internal controls periodically.

**d. Human Resources:**

Employee relations continued to remain cordial during the year under review as majorly work was conducted from home. As on March 31, 2021, there were 8 (Eight) employees including Key Managerial Personnel ('KMP') of the Company.

**e. Significant Changes in Key Financial Ratios (i.e., change of 25% or more as compared to immediately previous financial year) and Change in Return on Net Worth as compared to the immediately previous financial year, along with a detailed explanation thereof:**

Return on Net Worth for FY 2020-21: 0.39%

Return on Net Worth for FY 2019-20: 2.14%

Change in return on Net Worth as compared to immediately preceding previous financial year: (81.95%).

Net Profit Margin for FY 2020-21: 57.45%

Net Profit Margin for FY 2019-20: 81.97%

Change in Net Profit Margin as compared to immediately preceding previous financial year: (29.91%).

As compared to previous year, the Company's Return on Net Worth and Net Profit margin has decreased due to decrease in the profits for FY 2020-21 on account of lower dividend income. Except for this, there is no significant change (i.e. change of more than 25%) in any other key financial ratios during the current financial year as compared to immediately preceding financial year.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**MATERIAL CHANGES AND COMMITMENTS:**

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year on March 31, 2021 to which the financial statements relate and the date of this report.

**CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with Section 129(3) of the Companies Act, 2013 ('the Act') and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') the Consolidated Financial Statements of the Company and its subsidiaries, including the statement containing salient features of the financial statements of all the subsidiary companies of the Company as set out in prescribed Form AOC-1, which forms part of this Annual Report.

The Consolidated Financial Statements have been prepared in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

**SUBSIDIARY COMPANIES:**

There was no change in the subsidiaries, joint ventures or associates during the year under review.

Further, the Financial Statements of the subsidiaries are uploaded on the website of the Company in accordance with Section 136 of the Act. The Financial Statements of these subsidiaries and the other related information will be made available to any Member of the Company seeking such information and also available for inspection at the Registered Office of the Company.

As required under Regulation 16(1)(c) of the Listing Regulations, the Company has formulated the Policy on Materiality of Subsidiaries and the same is published on the Company's website at [https://www.summitsecurities.net/files/corporate\\_governance/PolicyonMaterialSubsidiary.pdf](https://www.summitsecurities.net/files/corporate_governance/PolicyonMaterialSubsidiary.pdf)

**DIVIDEND DISTRIBUTION POLICY**

Pursuant to Regulation 43A of the SEBI Listing Regulations as amended upto date, being one of the top 1000 listed companies in terms of market capitalization, the Company has adopted a Dividend Distribution Policy. The same is published on the Company's website <https://www.summitsecurities.net/>

**RISK MANAGEMENT POLICY/ PROCESS:**

Though, the requirements of constitution of the Risk Management Committee contained in Regulation 21 of the Listing Regulations were made applicable to the Company recently, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Board of Directors had already constituted the Risk Management Committee of the Board of Directors ('RMC') in terms of the Guidelines on Corporate Governance (Guidelines) issued by the Reserve Bank of India (RBI) as applicable to the Company. The terms of reference of the RMC are in accordance with the aforesaid Guidelines, the Act and the Listing Regulations as well.

RMC had formulated a Risk Management Policy. This policy defines a process to ensure that a structured, disciplined and consistent risk strategy, providing guidance for risk activity within the Company by embedding Enterprise Risk Management within the culture of the business is in place.

One of the elements in the Risk Management Process as defined in the Risk Management Policy is identification and assessment of risks. The identified risks pertaining to the nature of business carried out by the Company comprise of Business Risks, Finance Risks, Regulatory Risks, Environment Risks, Information Technology Risks etc. Risk mitigation measures are also reviewed alongside the identified risks. A report on risk evaluation and mitigation covering the elements of risks, impact and likelihood, mitigation measures and risk assessment is periodically presented before the RMC for review and placed before the Board of Directors for information.

**RELATED PARTY TRANSACTIONS:**

The Company has in place a Policy on Related Party Transactions for purpose of identification and monitoring of Related Party Transactions. The Policy on Related Party Transactions as approved by the Board of Directors is published on the Company's website at [https://www.summitsecurities.net/files/corporate\\_governance/RelatedPartyTransactionPolicy.pdf](https://www.summitsecurities.net/files/corporate_governance/RelatedPartyTransactionPolicy.pdf)

The Company has not entered into any transaction with related parties during the year under review which requires reporting in Form AOC-2 in terms of the Section 134(3) and 188(1) of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014.

There are no relationships between the Directors inter-se nor any relationship between the Key Managerial Personnel (KMP) inter-se.

None of the Directors nor KMP had any pecuniary relationships or transactions vis-a-vis the Company except the sitting fees paid to Directors and remuneration paid to KMPs.

**ANNUAL RETURN:**

Pursuant to Section 134(3)(a) of the Act read with Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, Annual Return is published on the Company's website at [https://www.summitsecurities.net/files/AGM/MGT-7/MGT-7\\_FY-21.pdf](https://www.summitsecurities.net/files/AGM/MGT-7/MGT-7_FY-21.pdf)

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The Company is registered as a Non-Banking Financial Company (NBFC) not accepting public deposits, with the Reserve Bank of India and having its principal business of making investments, the Company is accordingly exempted from the relevant provisions under Section 186 (11) of the Act.

**PUBLIC DEPOSITS:**

Since the Company is registered with the Reserve Bank of India as an NBFC not accepting public deposits, it is exempted from the provisions of Section 73 of the Act.

Further, the Company has not accepted public deposits as defined under RBI's Master Direction on NBFC-Acceptance of Public Deposit (Reserve Bank) Directions, 2016.

**SUMMIT SECURITIES LIMITED****DIRECTORS AND KEY MANAGERIAL PERSONNEL:**a. Directors:

Pursuant to approval of the members at the Twenty-Third Annual General Meeting of the Company held on September 25, 2020, Mr. Abhay Vasant Nerurkar (DIN: 00045309) was re-appointed as Non-Executive Independent Director of the Company for the second term of five (5) years w.e.f. October 29, 2020 to October 28, 2025.

Pursuant to the provisions of the Act and Articles of Association of the Company, Mr. H. N. Singh Rajpoot (DIN: 00080836), Non-Executive Director, retires by rotation and being eligible, has offered himself for re-appointment.

Based on the skills, expertise and experience of Ms. Rekha Dhanani (DIN: 08927006), evaluation of her performance and recommendations of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Act and Listing Regulations, the Board of Directors at its meeting held on November 10, 2020, had approved the appointment of Ms. Dhanani, as a "Non-Executive, Additional (Independent) Director" in the category of Woman Independent Director, w.e.f. November 10, 2020, subject to the approval of members at the ensuing Annual General Meeting (AGM).

Proposal for appointment of Ms. Dhanani as an Independent Director for a term of 5 (five) years from November 10, 2020 upto November 9, 2025 is being submitted for approval of Members at the ensuing AGM. In this regard, necessary details have been annexed to the Notice of the AGM in terms of Section 102(1) of the Act, Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 (SS-2) on General Meetings.

Ms. Sneha Ranade (DIN: 06878346), Non-executive Independent Director of the Company, re-appointed for a term of 5 (five) years with effect September 27, 2019, resigned w.e.f. November 11, 2020, owing to certain pre-occupations and confirming that there was no other material reason than the one provided hereinabove.

b. Key Managerial Personnel:

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the rules framed thereunder, the following persons were Key Managerial Personnel of the Company as on March 31, 2021:

1. Mr. Anand Rathi, Manager;
2. Mr. Paras Mal Rakhecha, Chief Financial Officer; and
3. Ms. Jiya Gangwani, Company Secretary.

During the year under review, Mr. Rohin Bomanji resigned as the Manager of the Company with effect from February 15, 2021.

Based on recommendations of Nomination and Remuneration Committee, the Board of Directors at its meeting held on February 09, 2021, approved the appointment of Mr. Anand Rathi as the Manager of the Company for a period of three years, subject to the approval of the members at the ensuing AGM.

Accordingly, it is proposed to appoint Mr. Anand Rathi as the Manager of the Company for a period of 3 years with effect from February 16, 2021 upto February 15, 2024.

Necessary resolutions alongwith the requisite explanatory statement for the appointment of abovementioned Director/KMP forms part of the Notice convening the ensuing AGM

c. Declarations from Independent Directors:

In terms of the provisions of sub-section (6) of Section 149 of the Act and Regulation 16 and other applicable provisions under Listing Regulations including any amendment(s) thereof, the Company has received declarations from all the Independent Directors of the Company that they meet with the criteria of independence as provided in the Act and the Listing Regulations. There has been no change in the circumstances affecting their status as an Independent Director during the year.

In the opinion of the Board of Directors, the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold the highest standards of integrity.

The Independent Directors have confirmed that they have registered and renewed, if applicable, their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, except Ms. Rekha Dhanani, all the Independent Directors of the Company are exempted from undertaking the online proficiency self-assessment test. The Independent Directors are in compliance with the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended and applicable.

Statement regarding the opinion of the Board concerning integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year:

In the opinion of the Board, Mr. Abhay Nerurkar (DIN: 00045309) who was re-appointed as an Independent Director during the year and Ms. Dhanani (DIN: 08927006) who was appointed as an Additional Director (Independent) during the year are persons of integrity and have the relevant expertise and experience as required under the Nomination and Remuneration Policy of the Company.

d. Familiarization Programme for Independent Directors:

Pursuant to the Code of Conduct for Independent Directors specified under the Act and Regulation 25(7) of the Listing Regulations, the Company

familiarises its Independent Directors on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the Company, etc. The note on this familiarisation programme is also published on the Company's website at [https://www.summitsecurities.net/files/Note\\_on\\_Familiarisation\\_Prog\\_for\\_Ind.pdf](https://www.summitsecurities.net/files/Note_on_Familiarisation_Prog_for_Ind.pdf)

**MEETINGS OF THE BOARD OF DIRECTORS:**

The Board of Directors met four times during the year ended March 31, 2021, the details of the same are mentioned in the Corporate Governance Report, which forms part of this Annual Report.

**BOARD COMMITTEES:**

As on March 31, 2021, the Board Committees comprised of mandatory committees as per the Act and the Listing Regulations viz., Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. During the year Corporate Social Responsibility Committee of the Board of Directors was dissolved w.e.f. February 09, 2021.

Further, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, Risk Management Committee constituted under the RBI Requirement was considered as meeting the requirements under Regulation 21 of the Listing Regulations.

The non-mandatory committees comprise of Asset Liability Management Committee and IT Strategy Committee constituted as per applicable RBI guidelines. Details of composition of these committees alongwith number of meetings held during the year and other related details are set out in the Corporate Governance Report which forms part of this Annual Report.

There have been no situations where the Board of Directors has not accepted recommendations of any of its committee including the Audit Committee.

**ANNUAL PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS:**

The Annual Evaluation as required under the Act and the Listing Regulations has been carried out by the Board of Directors of its own performance, the performance of each individual Director (including its chairperson) and its Committees. For this purpose, an Evaluation Questionnaire which was prepared considering the criteria for evaluation in accordance with the Company's "Nomination and Remuneration Policy", approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee, taking into account the applicable provisions of the Act and the rules made thereunder, the Listing Regulations read with the Circulars issued by SEBI in this regard, which inter-alia covered various aspects such as participation in meetings, contributions to strategic decision making, core governance and compliance, etc. The aforesaid Evaluation Questionnaire was circulated to all the Directors and their responses were received in a sealed envelope addressed to the Chairman of the Board of Directors and results thereof were then discussed in the next meeting of the Board of Directors.

**NOMINATION AND REMUNERATION POLICY:**

The Board of Directors had on the recommendation of the Nomination and Remuneration Committee adopted a Nomination and Remuneration Policy in terms of the provisions of Section 178(3) of the Act and SEBI Listing Regulations and RBI Directions, dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The Policy inter-alia covers the criteria for determining qualifications, positive attributes and independence of a director, etc. The detailed Policy is given as **Annexure A** to this Report and is also published on the Company's website at [https://www.summitsecurities.net/files/corporate\\_governance/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.summitsecurities.net/files/corporate_governance/Nomination_and_Remuneration_Policy.pdf).

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (b) such accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss for the financial year ended March 31, 2021;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;
- (f) the systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has adopted vigil mechanism in the form of Whistle Blower Policy ('WBP') for directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The WBP is also published in the Company's website at [https://www.summitsecurities.net/files/corporate\\_governance/Whistle\\_BlowerPolicy.pdf](https://www.summitsecurities.net/files/corporate_governance/Whistle_BlowerPolicy.pdf).

**PARTICULARS OF EMPLOYEES:**

- a. A statement containing the Disclosures pursuant to Section 197(12) of the Act and Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure B** to this Report.

**SUMMIT SECURITIES LIMITED**

- b. The statements required under Section 197 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules'), as amended, will be made available to any Member upon request. Any member interested in obtaining a copy of the said statement may write to the Company.

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

The company is an NBFC and engaged in investments and financial activities, its operations do not account for substantial energy consumption. However, the Company adopts all possible measures to conserve energy and at the same time several environment friendly measures are adopted by the Company.

The provisions relating to research and development and technology absorption are not applicable to the Company. During the year under review, there have been no transactions in the Company relating to foreign exchange earnings and outgo.

**CORPORATE SOCIAL RESPONSIBILITY:**

The Board of Directors had constituted a Corporate Social Responsibility ('CSR') Committee, in terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Pursuant to the introduction of sub-section(9) under Section 135 of the Companies Act, 2013 vide the Companies Amendment Act, 2020, which was effective from January 22, 2021, provided that if the amount to be spent by a company as a CSR expenditure did not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such committee provided under this section shall, in such cases, be discharged by the Board of Directors of the company.

Considering the annual expenditure to be made under the Act read with Rules made thereunder was below the threshold limits specified i.e., less than Rs. 50 lakhs per annum, the Company was not required to have a separate CSR Committee. Accordingly, the Board of Directors at their meeting held on February 09, 2021 approved the dissolution of the Corporate Social Responsibility Committee. The Board of Directors are empowered to perform the functions of CSR Committee since its dissolution.

The CSR policy of the Company is published on the Company's website at [https://www.summitsecurities.net/files/corporate\\_governance/CSR\\_Policy.pdf](https://www.summitsecurities.net/files/corporate_governance/CSR_Policy.pdf).

A report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure C** to this Report.

**BUSINESS RESPONSIBILITY REPORT:**

In compliance with Regulation 34 of the Listing Regulations, a separate section on the Business Responsibility Report, as approved by the Board of Directors, which includes principles to assess compliance with environmental,

social and governance norms for the year under review is attached as **Annexure D** to this Report.

**STATUTORY AUDITORS:**

M/s. Chaturvedi & Shah LLP, Chartered Accountants were re-appointed as the statutory auditors of the Company at the Twenty First AGM of the Company held on September 27, 2018 to hold office from the conclusion of the Twenty First AGM till the conclusion of the Twenty Sixth AGM. However, they had expressed their ineligibility to continue as statutory auditors of the Company w.e.f. August 13, 2021, considering the applicability of guidelines for appointment of statutory auditors of NBFC's as envisaged in RBI Circular no. RBI/2021-22/25 Ref. No. DoS. CD.ARG/ SEC.01/08.91.001/ 2021-22 dated April 27, 2021 ('RBI Circular').

Based on the recommendation(s) of the Audit Committee, Board has appointed M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No. 109982W) as statutory auditors of the Company to fill the casual vacancy caused due to resignation of M/s. Chaturvedi & Shah LLP, Chartered Accountants to hold office till the conclusion of ensuing AGM and thereafter from the conclusion of Twenty Fourth AGM till the conclusion of Twenty Seventh AGM of the Company, subject to the approval of the members at the ensuing AGM.

M/s. Sharp & Tannan, Chartered Accountants have confirmed that they are eligible to act as the Statutory Auditors of the Company in compliance with Section 139 and 141 of the Act read with rules made there under, Listing Regulations and RBI Act, 1934, read with relevant Regulations / Notifications / Circulars issued thereunder, to the extent applicable.

Necessary resolution(s) and explanation(s) thereto as required under the Act, and Listing Regulations have been provided in the ensuing AGM notice seeking approval of members on the aforesaid appointment.

**INTERNAL AUDITORS:**

M/s. V. S. Somani & Co, Chartered Accountants were the Internal Auditors of the Company for the FY 2020-21 They have consented to act as Internal Auditors of the Company for FY 2021-22.

Based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on May 24, 2021 re-appointed M/s. V. S. Somani & Co., Chartered Accountants as the Internal Auditors of the Company for FY 2021-22.

**SECRETARIAL AUDITORS:**

M/s. Parikh Parekh & Associates, Company Secretaries were appointed as the Secretarial Auditors for conducting the Secretarial Audit in accordance with Section 204 of the Act for the year ended March 31, 2021. The Secretarial Audit Report prepared in accordance with Section 134(3) and Section 204(1) of the Act in the prescribed Form No. MR-3 by M/s. Parikh Parekh & Associates, Company Secretaries is attached as **Annexure E** to this Report.

**SECRETARIAL AUDIT OF MATERIAL UNLISTED SUBSIDIARY:**

Instant Holdings Ltd ('Instant'), material unlisted subsidiary of the Company carried out Secretarial Audit for the year ended March 31, 2021 in accordance with Regulation 24A of the Listing Regulations, although the provisions of Section 204(1) of the Companies Act, 2013, read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable to Instant. The Secretarial Audit Report of Instant issued by M/s. Parikh Parekh & Associates, Company Secretaries is attached as **Annexure F** to this Report.

**EXPLANATION AND COMMENTS ON AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT:**

There is no qualification, reservation or adverse remark or disclaimer made either by the Statutory Auditor in Auditors Report or by the Company Secretary in Practice (Secretarial Auditor) in the Secretarial Audit Report.

Further, the Statutory Auditors have not reported any instances of fraud to the Central Government and Audit Committee as per the provisions of Section 143(12) of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

**CORPORATE GOVERNANCE:**

A report on Corporate Governance along with a certificate from the Auditors of the Company stipulated pursuant to Regulation 34 of the Listing Regulations are annexed as **Annexure G** to this Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**CHANGE IN THE NATURE OF BUSINESS:**

During the year under review, there was no change in the nature of business.

**CHANGE IN THE PLACE OF KEEPING REGISTER OF MEMBERS AND OTHER RELATED BOOKS:**

Owing to the shifting of operations of TSR Darashaw Consultants Private Limited, Registrar and Share Transfer Agent of the Company ('RTA'), the Company's Register and Index of Members, Register and index of Debenture holders, Annual Returns, other related books and certificates, etc. being earlier kept at the premises of the RTA located at Mahalaxmi, Mumbai have been shifted to C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083.

Necessary resolution(s) and explanation thereto have been provided in the AGM notice seeking approval of members for approving the change in the place of keeping the aforesaid registers and other related books and certificates, etc., to the abovementioned new address of the RTA, or at such other place, where the RTA may shift its office from time to time.

**INTERNAL FINANCIAL CONTROLS:**

Details in respect of adequacy on internal financial controls with reference to the financial statements are stated in the Management Discussion and Analysis section of this Report.

**MAINTENANCE OF COST RECORDS:**

The provisions of Section 148(1) of the Act are not applicable to the Company.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee ('ICC') had been set up to redress complaints. During the year under review, no complaints were received by ICC.

**SECRETARIAL STANDARDS:**

The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

**ACKNOWLEDEMENTS:**

Your Directors place on record their gratitude for the continued support and co-operation extended by the Government authorities, banks, members and employees of the Company.

**On behalf of the Board of Directors**

**Ramesh D. Chandak**  
Chairman  
DIN: 00026581

Place: Mumbai  
Date: August 13, 2021