

## BOARD'S REPORT

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To the Members,

Your Directors have pleasure in presenting the Thirtieth Annual Report and the Audited Financial Statements of the Company for the financial year 2018-19.

### FINANCIAL HIGHLIGHTS

(₹ In Lacs)      (₹ in Lacs)

Particulars	2018-2019	2017-2018
Net Sales / Income from Operations	559.33	1784.86
Profit before Finance Costs, Depreciation and Tax	52.95	209.03
Finance Costs	37.74	37.26
Depreciation	6.50	09.16
Profit before Tax	8.71	162.61
Tax Expenses	1.93	46.43
Profit for the year	6.78	116.18
Balance in Profit and Loss Account (b/f)	272.56	156.38
Balance Profit and Loss Account (c/f)	279.33	272.56

### DIVIDEND

No dividend has been recommended for the year under review.

## **TRANSFER TO RESERVES**

During the year, the Company does not propose to transfer any amount to the General Reserve and hence no disclosure required in this regard in terms of Section 134 (3) (j) of the Companies Act 2013 ("Act").

## **REVIEW OF PERFORMANCE**

During the year Profit after tax of the Company amounted to ₹ 6.78 Lacs as compared to ₹ 116.18 Lacs in the previous year.

## **SHARE CAPITAL**

The Company did not allot any securities during the year.

As on 31<sup>st</sup> March, 2019, the issued, subscribed and paid up share capital of the Company was Rs. 3,00,00,000/- comprising 30,00,000 Equity shares of Rs. 10/- each.

## **CHANGE IN NATURE OF THE BUSINESS**

There is no change in the major business activity of the Company.

## **MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRING BETWEEN THE DATE OF THE FINANCIAL STATEMENTS AND THE BOARD'S REPORT**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED**

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.

## **DETAILS OF HOLDING, SUBSIDIARIES AND ASSOCIATES**

The Company does not have any Holding, Subsidiary and Associate Company as on 31<sup>st</sup> March, 2019.

## **BOARD AND COMMITTEE MEETING**

During the year, four Board Meetings were held on 28/05/2018, 11/08/2018, 13/11/2018 and 13/02/2019.

Details of the composition of the Board and its Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and of the Meetings held and attendances of the Directors at such meetings are provided in the Corporate Governance Report.

## **BOARD EVALUATION**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the performance evaluation process for the Board and its Directors. The Nomination and Remuneration Committee has reviewed the performance of the Board and its Directors.

The functioning of the Board was evaluated on various aspects, inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delegation of responsibilities to various committees, effectiveness of Board processes, information and functioning etc.

In the separate meeting of Independent Directors, a performance of Non-Independent Directors was evaluated on various aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/Committee Meetings. In addition, the Chairman was evaluated on key aspects including office role, setting the strategic agenda of the Board encouraging active engagements by all Board members and motivating and providing guidance to them.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

## **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The Company's policy on Directors appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Director's Report.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

In accordance with Section 152 of the Companies Act, 2013 and the Article of Association of the Company, Mrs. Sarita Tibrewala, Director of the Company is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under Section 149(7) of the Act, that he/she meets the criteria of independence laid down in Section 149(6) and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

#### **DIRECTORS' RESPONSIBILITY STATEMENTS**

Pursuant to Section 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departures from the same;
- (b) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year March 31, 2019 and the Profit and Loss of the Company for that period;
- (c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the Annual Accounts of the Company on a 'going concern' basis;
- (e) The Directors have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and were operating effectively;
- (f) The Directors have devised proper systems to ensure adequate compliances with provisions of all the applicable laws and that such systems were adequate and operating effectively;

#### **DEPOSITS FROM PUBLIC**

The Company has not accepted any Deposits from public and as such, no amount on account of principle or interest on deposit from public was outstanding as on the date of the Balance Sheet.

#### **RELATED PARTY TRANSACTIONS**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013, in the prescribed form AOC-2, is appended as Annexure I to the Board's report.

#### **PARTICULARS OF LOAN, GURANTEE AND INVESTMENTS**

compliances. The Internal Audit Reports thereon were submitted to the Stock Exchanges of which your Company is a member.

The reports of the Internal Auditors are reviewed by the Audit Committee at regular intervals. The Internal Audit System of the Company is commensurate with the size and business of the Company.

#### **COST AUDIT**

The provisions of Sec 148 of the Companies Act, 2013 related to Cost Audit is not applicable to the Company.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors of the Company had re-appointed Mr. Vishal Patodia a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2019. The Secretarial Audit Report is annexed as Annexure-III forming part of this report.

#### **VIGIL MECHANISM**

The Board of Directors on the recommendations of the Audit Committee has approved and adopted a Whistle Blower Policy to provide formal Mechanism for all employees of the Company to approach the Chairman of the Audit Committee and make protective disclosure about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

#### **RISK MANAGEMENT POLICY**

The Company has developed and implemented a Risk Management Policy to be followed by the Company, including the identification therein of elements of risk, if any, which in opinion of the Board may threaten the existence of the Company. The risk management framework is based on a clear understanding of various risk, disciplined risk assessment and measurement procedure and continuous monitoring. The policies and procedures established for this purpose are approved. The Board of Directors has oversight on all the risks assumed by the Company.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The provision of Section 135 of the Companies Act, 2013 read with Rule 12 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, relating to Corporate Social Responsibility are not applicable to the Company.

#### **INTERNAL FINANCIAL CONTROLS**

No loan and/or guarantee have been given by the Company during the Current Financial Year. Investments made by the Company are disclosed in the Standalone Financial Statements.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 134(3) (a) and Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at 31<sup>st</sup> March 2019 is uploaded on the website of the Company and can be accessed at <https://www.nakamichi.co.in> – client- Download and from part of this report as Annexure-II

### **CORPORATE GOVERNANCE**

A separate section on Corporate Governance is included in the Annual Report along with Certificate from the Company's Auditor confirming compliance with condition on Corporate Governance as required by Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

### **AUDITORS**

#### **Statutory Auditor**

Pursuant to the provision of section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. BDS & Co. (M/s. Bharat D. Sarawgee & Co.) Chartered Accountant (Firm Registration No. 326264E), were appointed as statutory auditors from the conclusion of the Twenty-Eight Annual General Meeting (AGM) held on September 29, 2017 till the conclusion of the Thirty-third AGM of the Company in 2022, subject to the ratification of their appointment at every AGM, if required under law.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on September 29, 2017.

### **QUALIFICATION, RESERVATION OR ADVERSE REMARK IN STATUTORY AUDIT REPORT AND SECRETARIAL AUDIT REPORT**

There is no qualification, reservation or adverse remark made by the Statutory Auditors in their Auditors' Report to the Financial Statements or by the Secretarial Auditor in its Secretarial Audit Report for the financial year ended March 31, 2019.

### **INTERNAL AUDITORS**

The Company has re-appointed Mr. Gautam Agarwala, Chartered Accountant, to conduct the Internal Audit of the Company in terms of the provisions of Section 138 of the Companies Act, 2013 and for Exchange and Depository participant



**Annexure-I**

**Form No. AOC- 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which are not on arm's length basis.

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

Sr. No.	Name (s) of related party & nature of relationship	Nature of contract/arrangement/ transactions	Duration of contract/arrangement/ transactions	Salient terms of the contracts or arrangement or transactions including the values, if any (Rs. In Lacs )	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	<b>Sarita Tibrewala</b> 2(76)(i) a director or his relative 2(76)(ii) a key managerial personnel or his relative	<b>Payment of Remuneration</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 8.40	May 28, 2018	Nil
2.	<b>Snigdha Tibrewala</b> 2(76)(i) a director or his relative 2(76)(ii) a key managerial personnel or his relative	<b>Payment of Remuneration</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 8.40	May 28, 2018	Nil
3.	<b>Sanjeet Kumar Singh</b> 2(76)(ii) a key managerial personnel or his relative	<b>Payment of Salary</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 3.90	May 28, 2018	Nil
4.	<b>Sahshru Finance Pvt. Ltd.</b> 2(76)(iv) a private company in which	<b>Payment of Rent</b>	Ongoing, subject to renewal as per	Not Applicable 0.72	May 28, 2018	Nil

	a director or manager [or his relative] is a member or director.		contractual terms			
5.	<b>Nakamichi Estates Pvt. Ltd.</b> 2(76)(iv) a private company in which a director or manager [or his relative] is a member or director.	<b>Payment of Rent</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 2.40	May 28, 2018	Nil
6.	<b>Navsun Marketing Pvt. Ltd.</b> 2(76)(iv) a private company in which a director or manager [or his relative] is a member or director.	<b>Payment of Rent</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 0.72	May 28, 2018	Nil
7.	<b>Navsun Marketing Pvt. Ltd.</b> 2(76)(iv) a private company in which a director or manager [or his relative] is a member or director.	<b>Brokerage Income</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable .16	May 28, 2018	Nil
8.	<b>Sanchi Business &amp; Finance Pvt. Ltd.</b> 2(76)(iv) a private company in which a director or manager [or his relative] is a member or director.	<b>Brokerage Income</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 1.06	May 28, 2018	Nil
9.	<b>Shruti Tibrewala (Oberoi)</b> 2(76)(i) a director or his relative 2(76)(ii) a key managerial personnel or his relative	<b>Brokerage Income</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 0.00063	May 28, 2018	Nil



	director or his relative 2(76)(ii) a key managerial personnel or his relative		per contractual terms	0.008		
17.	<b>Kamini Tibrewala</b> 2(76)(i) a director or his relative 2(76)(ii) a key managerial personnel or his relative	<b>Depository Charges</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 0.01	May 28, 2018	Nil
18.	<b>Ram Gopal Patodia</b> 2(76)(i) a director or his relative 2(76)(ii) a key managerial personnel or his relative	<b>Depository Charges</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 0.004	May 28, 2018	Nil
19.	<b>Shyam Sundar Tibrewala</b> 2(76)(i) a director or his relative 2(76)(ii) a key managerial personnel or his relative	<b>Depository Charges</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 0.012	May 28, 2018	Nil
20.	<b>Subhas Kumar Patodia</b> 2(76)(i) a director or his relative 2(76)(ii) a key managerial personnel or his relative	<b>Depository Charges</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 0.005	May 28, 2018	Nil
21.	<b>Pulkit Tibrewala</b> 2(76)(i) a director or his relative 2(76)(ii) a key managerial personnel or his relative	<b>Depository Charges</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable 0.003	May 28, 2018	Nil
22.	<b>Swapna Patodia</b> 2(76)(i) a director or his relative 2(76)(ii) a key	<b>Depository Charges</b>	Ongoing, subject to renewal as per contractual	Not Applicable 0.003	May 28, 2018	Nil

	managerial personnel or his relative		terms			
23.	<b>Sanjay Kumar Kothari</b> 2(76)(i) a director or his relative	<b>Depository Charges</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable  0.006	May 28, 2018	
24.	<b>Asha Kothari</b> 2(76)(ii) a key managerial personnel or his relative	<b>Depository Charges</b>	Ongoing, subject to renewal as per contractual terms	Not Applicable  0.003	May 28, 2018	

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

Place: Kolkata  
Date: August 08, 2019

Snigdha Tibrewala  
Whole time Director & CFO  
(DIN: 02801711)

Sarita Tibrewala  
Whole time Director  
(DIN: 00629538)

**Annexure-II****FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****As on Financial Year ended on 31.03.2019**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L67120WB1990PLC048496
2.	Registration Date	March 02, 1990
3.	Name of the Company	Nakamichi Securities Ltd
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian non government Company.
5.	Address of the Registered office & contact details	BINOY BHAWAN, 27B, CAMAC STREET, 4 <sup>th</sup> FLOOR, KOLKATA-700 016, West Bengal PHONE:0334017- 5200 E-mail : nrt@nakamichi.co.in
6.	Whether listed Company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s MCS Share Transfer Agent Ltd. 1st Floor, 383, Lake Gardens, Kolkata - 700 045 E-mail : mcssta@rediffmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Dealing in markets on own account	64990	58.50
2.	Securities Dealing Activities (this class includes dealing in financial market on behalf of other)	6612	24.78

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	N.A	N.A	N.A	N.A	N.A

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

*i) Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1258900	62500	1321400	44.05	1258900	62500	1321400	44.05	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	211900	-	211900	7.06	211900	-	211900	7.06	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1):-</b>	<b>1470800</b>	<b>62500</b>	<b>1533300</b>	<b>51.11</b>	<b>1470800</b>	<b>62500</b>	<b>1533300</b>	<b>51.11</b>	<b>NIL</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding</b>	<b>1470800</b>	<b>62500</b>	<b>1533300</b>	<b>51.11</b>	<b>1470800</b>	<b>62500</b>	<b>1533300</b>	<b>51.11</b>	<b>NIL</b>

of Promoter (A)=(A)(1)+ (A)(2)									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>% Change during the year</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	129300	209100	338400	11.28	129330	209100	338400	11.28	NIL
ii) Overseas	-	-	-	-	0	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital	83577	306173	389750	12.99	84077	287573	371650	12.39	.60

upto ₹ 1 lakh										
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	325750	390500	716250	23.88	325250	409100	734350	24.48	0.59	
c) Others										
Non Resident Indians	0	22300	22300	0.74	0	22300	22300	0.74	NIL	
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	-	
Clearing Members	-	-	-	-	-	-	-	-	-	
Trusts	-	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(2):-</b>	<b>538627</b>	<b>928073</b>	<b>1466700</b>	<b>48.89</b>	<b>538627</b>	<b>928073</b>	<b>1466700</b>	<b>48.89</b>	<b>NIL</b>	
Total Public Shareholding (B)=(B)(1)+(B)(2)	538627	928073	1466700	48.89	538627	928073	1466700	48.89	NIL	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	<b>2009427</b>	<b>990573</b>	<b>3000000</b>	<b>100</b>	<b>2009427</b>	<b>990573</b>	<b>3000000</b>	<b>100</b>	<b>NIL</b>	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Kamini Tibrewala	629400	20.98	-	629400	20.98	-	NIL
2.	Shruti Tibrewala (Oberoi)	230500	7.68	-	230500	7.68	-	NIL
	Snigdha							

3.	Tibrewala	147000	4.90	-	147000	4.90	-	NIL
4.	Sanchi Tibrewala (Murmura)	134500	4.48	-	134500	4.48	-	NIL
5.	Shyam Sundar Tibrewala	117500	3.92	-	117500	3.92	-	NIL
6.	Kavita Tibrewala (Lath)	62500	2.08	-	62500	2.08	-	NIL
7.	Navkam Marketing & Finance Pvt. Ltd.	50000	1.67	-	50000	1.67	-	NIL
8.	Navsun Marketing Pvt. Ltd.	50000	1.67	-	50000	1.67	-	NIL
9.	Sahshru Finance Private Limited	71000	2.37	-	71000	2.37	-	NIL
10.	Sanchi Business and Finance Private Limited	40900	1.36	-	40900	1.36	-	NIL
	<b>TOTAL</b>	<b>1533300</b>	<b>51.11</b>	<b>-</b>	<b>1533300</b>	<b>51.11</b>	<b>-</b>	<b>NIL</b>

**(iii) Change in Promoters' Shareholding**

Particulars	Shareholding at the beginning /end of the year		Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
At the beginning of the year	15,33,300	51.11	There was no change in the shareholding pattern during the F.Y. 2018-19	-	-
Date wise Increase/ Decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g.					



allotment/transfer/bonus/sweat equity etc):					
At the end of the year	15,33,300	51.11		15,33,300	51.11

**(iv) Shareholding Pattern of top 10 Shareholders**  
(other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year</b>				
1.	Dina Nath Khandelwal	99,250	3.31	99,250	3.31
2.	Vishnu Kumar Murarka	50,300	1.68	50,300	1.68
3.	M C C Investments & Leasing Ltd.	50,000	1.67	50,000	1.67
4.	Saket Fintrade Pvt. Ltd.	50,000	1.67	50,000	1.67
5.	Vishnu Kumar Murarka (HUF)	46,500	1.55	46,500	1.55
6.	Asha Kothari	41,800	1.39	41,800	1.39
7.	Inter State Oil Carrier Ltd.	41,500	1.38	41,500	1.38
8.	Sheo Kumar Agarwal	34,800	1.16	34,800	1.16
9.	Rajshree Murarka	34,400	1.15	34,400	1.15
10.	JSK Holdings Pvt. Ltd.	31,100	1.03	31,100	1.03
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>				
1.	Dina Nath Khandelwal	99,250	3.31	99,250	3.31
2.	Vishnu Kumar Murarka	50,300	1.68	50,300	1.68
3.	M C C Investments & Leasing Ltd.	50,000	1.67	50,000	1.67
4.	Saket Fintrade Pvt. Ltd.	50,000	1.67	50,000	1.67
5.	Vishnu Kumar Murarka (HUF)	46,500	1.55	46,500	1.55
6.	Asha Kothari	41,800	1.39	41,800	1.39
7.	Inter State Oil Carrier Ltd.	41,500	1.38	41,500	1.38
8.	Sheo Kumar Agarwal	34,800	1.16	34,800	1.16
9.	Rajshree Murarka	34,400	1.15	34,400	1.15
10.	JSK Holdings Pvt. Ltd.	31,100	1.03	31,100	1.03

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of Director	Shareholding at the beginning/end of the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
	<b>SNIGDHA TIBREWALA</b>					
	At the beginning of the year	147000	4.90		-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			There was no change in the shareholding during the F.Y. 2018-19		
	At the end of the year	147000	4.90		147000	4.90

Sr. No.	Shareholding of Director	Shareholding at the beginning of the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
	<b>SANJAY KUMAR KOTHARI</b>					
	At the beginning of the year	100000	3.33		-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			There was no change in the shareholding during the F.Y. 2018-19		
	At the end of the year	100000	3.33		100000	3.33

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	9,34,009.00	3,00,54,409.00	-	3,09,88,418.00
ii) Interest due but not paid	-	41,84,506.00	-	41,84,506.00
iii) Interest accrued but not due	5,514.00	-	-	5,514.00
<b>Total (i+ii+iii)</b>	9,39,523.00	3,42,38,915.00	-	3,51,78,438.00
<b>Change in Indebtedness during the financial year</b>				
* Addition		19,98,085.00	-	15,86,030.00
* Reduction	4,12,055.00		-	
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,24,164.00	3,00,00,000.00	-	3,05,24,164.00
ii) Interest due but not paid	-	62,37,000.00	-	62,37,000.00
iii) Interest accrued but not due	3,304.00	-	-	3,304.00
<b>Total (i+ii+iii)</b>	5,27,468.00	3,62,37,000.00	-	3,67,64,468.00

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of WTD		Total Amount
		Snigdha Tibrewala	Sarita Tibrewala	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 8,40,000	₹ 8,40,000	₹ 16,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 19,200	₹ 19,200	₹ 38,400
	(c) Profits in lieu of salary under	-	-	-

	Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	19,200	-	19,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others	-	-	-	-
5.	Others	-	-	-	-
	Total	-	3,90,000	-	3,90,000

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

There were no penalties/punishment/compounding of offences for the year ending March 31, 2018.

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

Place: Kolkata  
Date: August 08, 2019

Snigdha Tibrewala  
Whole time Director & CFO  
(DIN: 02801711)

Sarita Tibrewala  
Whole time Director  
(DIN: 00629538)

**Annexure-III**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

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

**To,  
The Members,  
Nakamichi Securities Ltd.  
BINOY BHAWAN, 27B, CAMAC STREET,  
4<sup>th</sup> FLOOR,  
KOLKATA-700 016**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nakamichi Securities Ltd.** (hereinafter called the Company). Secretarial Audit was conducted 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019 ("Audit Period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Nakamichi Securities Ltd.** for the financial year ended on **31<sup>st</sup> March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The 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, 1992;
  - (c) Listing Obligation and Disclosure Requirements, SEBI LODR Regulations 2015.

(vi) OTHER APPLICABLE ACTS,

(a) The Maternity Benefit Act, 1961

(b) Prevention of Money Laundering Act, 2002 (policy adopted time to time)

I have also examined compliance with the applicable Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 erstwhile clauses of the Listing Agreement entered into by the Company with the Stock Exchange in India.

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

I further report that, there were no actions/ events in pursuance of:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance report by respective department heads/ Company secretary/ CEO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable laws.

I further report, that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes of agenda were sent at least seven days in advance to all Directors, 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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.

I further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Kolkata  
AUGUST 08, 2019

Vishal Patodia  
Practicing Company Secretary  
FCS No.: 8526  
C P No.: 9971

#### **Annexure- A**

#### **Notes of Secretarial Audit for F.Y. 2018-19**

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. All the verifications were done on test basis to ensure that correct facts are reflected in secretarial audit.



## Annexure-IV

### Particulars of employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Executive directors	Ratio to median remuneration
Mrs. Sarita Tibrewala	1.11
Ms. Snigdha Tibrewala	1.11

- b. The percentage increase in remuneration of each director, chief executive director, chief executive officer, chief financial officer, company secretary in the financial year:

Director, Chief executive director, Chief executive officer, Chief financial officer, Company secretary	% increase in remuneration in the financial year
Mrs. Sarita Tibrewala	-
Ms. Snigdha Tibrewala	-
Mr. Sanjeet Kumar Singh	36.36%

- c. The percentage increase in the median remuneration of employees in the financial year: 21.60

- d. The number of permanent employees on the rolls of Company: 19

- e. The explanation on the relationship between average increase in remuneration and Company performance:

There is average increase of 6.92 % in the remuneration during the financial year 2018-19 in comparison with the previous financial year 2017-18. Income from operations of the Company decreased from 1784.86 Lacs to 559.33 Lacs and net profit of the Company decreased from 116.18 Lacs to 6.78 Lacs.

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY 2018-19 (₹ lacs)	20.70
Revenue (₹ lacs)	559.33
Remuneration of KMP's (as % of revenue)	3.70
Profit before Tax (PBT) (₹ lacs)	8.71
Remuneration of KMP (as % of PBT)	237.66

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2019	March 31, 2018	% Change
Market Capitalisation (₹ lacs)	870	870	-
Price Earnings Ratio *	12.61	0.75	(1518)

\*The Market Price is taken based on the last traded price of the shares which has remained constant since 23<sup>rd</sup> August 2000.

h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2019	IPO	% Change
Market Price (CSE)	2.90	20	(85.5)

The Market Price is taken based on the last traded price of the shares which has remained constant since 23<sup>rd</sup> August 2000.

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

The average percentile increase in salary of employee other than managerial personnel is 7.03%.

Increase in the managerial remuneration for the year was 3.76%.

j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars (₹ lacs)	Ms. Snigdha Tibrewala (Whole-time Director & CFO)	Mrs. Sarita Tibrewala (Whole-time Director)	Mr. Sanjeet Kumar Singh (CS)
Remuneration in FY 2018-19	8.40	8.40	3.90
Revenue	559.33		
Remuneration (as % of revenue)	1.50	1.50	0.70
Profit before Tax (PBT)	8.71		
Remuneration (as % of PBT)	96.44	96.44	44.78

k. The key parameter for any variable component of remuneration availed by the directors:

There are no variable components based on which the remuneration availed by the director varies.

- l. 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:

42:65

- m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

- n. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this report. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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

Place: Kolkata  
Date: August 08, 2019

Snigdha Tibrewala  
Whole time Director & CFO  
(DIN: 02801711)

Sarita Tibrewala  
Whole time Director  
(DIN: 00629538)



## **INDEPENDENT AUDITORS' REPORT**

**TO**  
**THE MEMBERS OF**  
**NAKAMICHI SECURITIES LIMITED**

### **Opinion**

We have audited the accompanying financial statements of Nakamichi Securities Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019 and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Act in the manner so required 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<sup>st</sup> March, 2019 and its profit and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



**Independent Auditors' Report (Contd.)**

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b><i>Evaluation of uncertain tax positions</i></b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>Our procedure included, amongst others, assessing the appropriateness of management's assumptions and estimates in relation to uncertain tax positions, challenging those assumptions and considering advice received by management from external parties to support their position. We have involved our tax specialists to consider management's assessment of the tax positions and related provision/liability accruals when necessary. We concur with management estimates and the outcome of their procedures to determine the relevant provision/ liability.</p>

**Management responsibility for the financial statement**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

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





That Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's responsibility for the audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.
- 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.



## **Independent Auditors' Report (Contd.)**

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.

### **Report on other legal and regulatory requirements.**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii. The Balance Sheet, the Statement of Profit and Loss and the cash flow dealt with by this Report are in agreement with the books of account.
  - iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v. On the basis of the written representations received from the directors as at 31<sup>st</sup> March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as at 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors





## Independent Auditors' Report (Contd.)

during the year is in accordance with the provisions of section 197 of the Companies Act, 2013; and

viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company did not have any pending litigations.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts required to be transferred to Investor Education and Protection Fund by the Company.

**For B D S & CO.**

**(Formerly Bharat D Sarawgee & Co.)**

**Chartered Accountants**

**Firm Registration No. 326264E**

*Shweta Bagaria Sarawgee*  
**(Shweta Bagaria Sarawgee)**

**Membership No. 063679**

**Partner**

**Place: Kolkata**

**Dated: 18<sup>th</sup> day of May, 2019**



**"ANNEXURE A" TO THE AUDITOR'S REPORT**

Statement referred to in our report of even date to the members of **NAKAMICHI SECURITIES LIMITED** on the financial statements for the year ended 31<sup>st</sup> March, 2019.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable property are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals; No Material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Act in respect of investments.
- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- (vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities.



b)According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, Goods and Service Tax which have not been deposited on account of any dispute.

Name of the Statute	Amount Involved	Forum where Dispute Pending
Income Tax demand for - Assessment Year : 2007- 2008, 2009-2010 & 2011-2012	Rs. 161508, Rs. 3220 & Rs. 196620	Commissioner of Income Tax (Appeals) VI, Kolkata

- (viii) The Company has not taken any loans or borrowing from financial institution, bank or Government. Also, the Company has not issued any debentures.
- (ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor taken any term loan during the year. Therefore, clause (ix) of paragraph 3 of the said order is not applicable to the Company.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.
- (xi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has made rights issue and the same is not prejudicial to the interest of the company further the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



**Independent Auditors' Report (Contd.)**

(xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For B D S & CO.**

**(Formerly Bharat D Sarawgee & Co.)**

**Chartered Accountants**

**Firm Registration No. 326264E**

*Shweta Bagaria Sarawgee*  
**(Shweta Bagaria Sarawgee)**

**Membership No. 063679**

**Partner**

**Place: Kolkata**

**Dated: 18<sup>th</sup> day of May, 2019**



**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE  
ON THE FINANCIAL STATEMENTS OF NAKAMICHI SECURITIES LIMITED**

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

We have audited the internal financial controls over financial reporting of **NAKAMICHI SECURITIES LIMITED** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, to the extent applicable to an audit of internal financial controls, 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 were 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.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B D S & CO.**

(Formerly Bharat D Sarawgee & Co.)

Chartered Accountants

Firm Registration No. 326264E

*Shweta Bagaria Sarawgee*  
(Shweta Bagaria Sarawgee)

Membership No. 063679

Partner

Place: Kolkata

Dated: 18<sup>th</sup> day of May, 2019



**NAKAMICHI SECURITIES LIMITED**  
Balance Sheet as at 31st March 2019

Particulars	Note No	As at 31st March, 2019		As at 31st March, 2018	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>(I) Shareholder's Funds</b>					
(a) Share Capital	2.1	30,000,000		30,000,000	
(b) Reserves and Surplus	2.2	58,356,437	88,356,437	57,678,801	87,678,801
<b>(II) Non-Current Liabilities</b>					
(a) Long-term Borrowings	2.3	78,089		524,154	
(b) Long term Provisions	2.4	961,842	1,039,931	573,236	1,097,390
<b>(III) Current Liabilities</b>					
(a) Short-term Borrowings	2.5	30,000,000		30,054,409	
(b) Trade Payables	2.6	1,062,721		1,125,997	
(c) Other Current Liabilities	2.7	54,520,108		13,513,668	
(d) Short-term Provisions	2.8	8,522	85,591,350	2,487,609	47,181,683
<b>Total</b>			<b>174,987,718</b>		<b>135,957,875</b>
<b>ASSETS</b>					
<b>(I) Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	2.9	1,468,298		2,058,882	
(ii) Intangible Assets	2.9	41,822		46,493	
(b) Non-Current Investments	2.10	2,501,002		8,167,235	
(c) Deferred Tax Asset (Net)	2.11	407,502		386,600	
(d) Long term Loans and Advances	2.12	11,280,283		11,480,283	
(e) Other Non- Current Assets	2.13	61,614,327	77,313,233	57,853,695	79,993,188
<b>(II) Current assets</b>					
(a) Inventories	2.14	10,054,250		4,425,890	
(b) Trade Receivables	2.15	2,454,677		702,925	
(c) Cash and Bank Balances	2.16	79,900,347		47,873,895	
(d) Short-term Loans and Advances	2.17	3,816,781		121,027	
(e) Other Current Assets	2.18	1,448,428	97,674,485	2,840,951	55,964,688
<b>Total</b>			<b>174,987,718</b>		<b>135,957,875</b>

Significant Accounting Policies 1  
Notes to Accounts 2

The Significant Accounting Policies and Notes to Accounts referred to above form an integral part of the financial statements.

As per our attached report of even date.

For B D S & CO ( formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Regn. No. : 326264E



Shweta Boparai Sarawgee  
( Shweta B Sarawgee )  
Partner  
Membership No. : 063679

For and on behalf of the Board  
**NAKAMICHI SECURITIES LTD.**

Shigeko Tibrewala

STibral  
Director

**DIRECTORS**

**NAKAMICHI SECURITIES LTD.**

Sangeet K Singh

Company Secretary & Compliance Officer

Place : Kolkata.  
Dated : the 18th May, 2019



**NAKAMICHI SECURITIES LIMITED**  
Statement of Profit and Loss for the year ended 31st March 2019

Particulars	Note No	Year ended 31st March, 2019	Year ended 31st March, 2018
		₹	₹
I. Revenue from Operations			
II. Other Income	2.19	55,932,808	178,485,990
III. Total Revenue (I + II)	2.20	2,857,285	3,854,128
		58,790,093	182,340,118
IV. Expenses:			
Purchase of Stock-in-Trade		14,843,020	95,574,335
Changes in Inventories of Stock-in-Trade	2.21	(5,628,362)	14,736,413
Employee Benefit Expense	2.22	13,828,075	12,500,756
Finance Costs	2.23	3,774,034	3,725,661
Depreciation and Amortization Expense	2.09	650,004	916,212
Other Expenses	2.24	30,452,585	38,625,578
Total Expenses		57,919,356	166,078,955
V. Profit(Loss) Before Tax (III - IV)		870,736	16,261,162
VI. Tax Expense:			
(1) Current Tax		214,000	4,250,000
(2) Income-tax (charge)/ refunds for earlier year			
(3) Deferred Tax (charge)/write back		(20,900)	393,400
VII. Profit(Loss) for the year after Tax (V-VI)		677,636	11,617,762
VIII. Earning per Equity Share:			
(1) Basic	2.25	0.23	3.87
(2) Diluted	2.25	0.23	3.87
Significant Accounting Policies			
Notes to Accounts	1		
	2		

The Significant Accounting Policies and Notes to Accounts referred to above form an integral part of the financial statements.

As per our attached report of even date attached.

For BDS & CO (formerly Bharat D Sarawee & Co.)  
Chartered Accountants  
Firm Regn. No. : 326264E

*Sandeep Boparai*  
(Sandeep B Sarawee)  
Partner  
Membership No. : 063679



*Sanjeev Kumar Singh*

For and on behalf of the Board

*S. Tibbani*

DIRECTORS



Place : Kolkata  
Date : the 18th May, 2019

**NAKAMICHI SECURITIES LTD.**  
*Sanjeev Kumar Singh*  
Company Secretary & Compliance Officer

**NAKAMICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**

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**SIGNIFICANT ACCOUNTING POLICIES**

**1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2) USE OF ESTIMATES:-**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively when revised.

**3) FIXED ASSET:**

These are stated at their original cost of acquisition including all the related expenses which are attributable to bring them to their present condition.

**4) DEPRECIATION**

Depreciation is systematically allocated over the useful life of an asset as specified in Part C of Schedule II of Companies Act, 2013.

**5) REVENUE RECOGNITION :**

a) Transactions entered into by the company for purchases and sales of shares, debentures, bonds and other securities on Stock Exchanges are accounted on completed settlement dates of the respective Stock Exchange.

b) Dividend & interest on securities is recognized as and when received.

c) In the NSDL (Depository Division) the charges for Transactions is recognized as and when bills are raised on the parties.

d) All other incomes and expenses are recognized on accrual basis.

**6) INVENTORIES**

Stock of share are valued at cost or Net Realisable value whichever is lower.

**7) DERIVATIVES:**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value. Fair value represent the "Exit Price "

The initial margin & additional margin paid for entering into contracts for equity derivatives/futures, Options , which are released on final settlement/squaring-up of underlying contracts are disclosed under Current Assets, Loans & Advances.

All the outstanding derivative contracts as at the year end are measured at fair value and the profit/loss on the same is recognised in the Statement of Profit & Loss.



**INVESTMENTS:**

- (a) The securities acquired with intention of short term holding and trading are considered as stock in trade and shown in stock in trade under current assets. Other securities acquired with the intention of long term holding are considered as "Investments".

**INCOME TAX:**

- (a) Current tax is determined as the amount of income tax payable in respect of taxable income for the reporting period. Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable incomes and accounting income that originated in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or subsequently enacted by the Balance sheet Date.

**CONTINGENT LIABILITIES:**

Contingent Liabilities are not provided for in the accounts but are disclosed by way of notes in the NOTES ON ACCOUNTS, if any

**IMPAIRMENT OF ASSETS:**

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its Recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use.

**EMPLOYEE BENEFITS**

a. Short term employee benefits such as salaries & wages are recognized as expense and charged off.

b. Defined Contribution & Definite Benefit Plans:- The company does not have any such plans because the company is not required to contribute to such plans considering its current employees strength.



**NAKAMICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**

**Note 2.1: Share Capital**

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
<b>Authorised:</b> 3,500,000 Equity Shares of ₹ 10/- each	35,000,000	35,000,000
<b>Issued, Subscribed &amp; Fully Paid:</b> 3,000,000 Equity Shares of ₹ 10/- each	30,000,000	30,000,000

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

There was no change in the number of shares outstanding during the year and during the previous year.

**Names of share holders holding more than 5% of the shares of the company and their shareholding**

Shruti Tibrewala	230,500	230,500
%age of holding	7.68%	7.68%
Kamini Tibrewala	629,400	629,400
%age of holding	20.98%	20.98%



**NAKAMICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**

**Note 2.2 : Reserves & Surplus**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	₹	₹	₹	₹
<b>Capital Reserve</b>				
At commencement of the year	3,929,500		3,929,500	
Additions/Deductions during the year	<u>-</u>	3,929,500	<u>-</u>	3,929,500
<b>Securities Premium Account</b>				
At commencement of the year	26,494,000		26,494,000	
Additions/Deductions during the year	<u>-</u>	26,494,000	<u>-</u>	26,494,000
<b>Surplus i.e. balance in Statement of Profit and Loss</b>				
At commencement of the year	27,255,301		15,637,539	
Add: Profit for the year	<u>677,636</u>	27,932,938	<u>11,617,762</u>	27,255,301
		<u><u>58,356,438</u></u>		<u><u>57,678,801</u></u>



Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
-------------	--------------------------------	--------------------------------

**Note 2.3: Long-term Borrowings**

Car Loan from Bank (Secured by hypothecation of Motor Car)  
Term: Current maturity of long-term loan shown under Other Current  
Liabilities in Note 2.7

524,164 934,009

446,075 409,855

**78,089 524,154**

Remarks: The loan is repayable in equated monthly instalments (including interest) of ₹  
3440/- each upto 5th May, 2020.

**Note 2.4: Long-term Provisions**

Provision for Employee Benefits -  
Gratuity

961,842 573,236

**961,842 573,236**

**Note 2.5: Short-term Borrowings**

Loans from Bodies Corporates (Unsecured)(Repayable on demand) -  
Exchange Settlement Account

30,000,000 30,000,000

- 54,409

**30000000.00 30,054,409**

**Note 2.6: Trade Payables**

Trade Payables (other than Micro, Small and Medium Enterprises)

1,062,721 1,125,997

**1,062,721 1,125,997**



**NAGANBICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
<b>Note 2.7 : Other Current Liabilities</b>		
Current Maturities of long-term loan shown out of balance in Note 2.3	446,075	409,855
Interest accrued but not due on borrowings	3,304	5,514
Interest accrued and due on borrowings	6,237,000	4,184,506
Security Deposits received	43,680,800	6,216,500
Short Delivery Control A/c	9,875	-
Mark-to Market Derivatives	999,500	-
Other payable -		
Statutory Dues	403,951	840,400
GST Payable(Net)	14,661	-
Others	2,724,940	1,856,894
	<b>54,520,108</b>	<b>13,513,668</b>

**Note 2.8 : Short-term Provisions**

Provision for Employee Benefits		
Gratuity	8,522	8,522
Provision for Income Tax - Current (Net of payments)	-	2,479,087
	<b>8,522</b>	<b>2,487,609</b>





**NAKAMICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
<b>Note 2.11 : Deferred Tax Asset</b>		
Tax on:-		
Difference between depreciation as per tax law and accounts and others	492,559	474,763
Difference in basis of Mark to Margin F& O	(85,058)	(88,163)
	<u>407,502</u>	<u>386,600</u>
<b>Note 2.12 : Long-term Loans and Advances</b>		
Security Deposits (Unsecured and considered good) -		
with related party	60,000	60,000
with others	11,220,283	11,420,283
	<u>11,280,283</u>	<u>11,480,283</u>
<b>Note 2.13 : Other Non-Current Assets</b>		
Prepaid Expenses		
Fixed Deposits with Bank -	52,792	65,603
Non-current portion of fixed deposits		
pledged as Margin Money/security deposit with Exchanges/clearing houses	60,900,000	55,300,000
of exchange/clearing members/pledged with Banks for availing cash credit)	661,535	2,488,092
Advance payment of income-tax and tax deducted at source (net of provisions)		
	<u>61,614,327</u>	<u>57,853,695</u>



NAKAMICHI SECURITIES LIMITED  
NOTES FORMING PART OF THE ACCOUNTS

Note 2.9 : Fixed Assets

Particulars	Gross Carrying Value				Amortisation/Depreciation				Net Carrying
	As at 1st April, 2018	Additions	Deductions/ Adjustments	As at 31st March, 2019	As at 1st April, 2018	For the year	On Deductions/ Adjustments	As at 31st March, 2019	As at 31st March, 2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹

A) Tangible Assets

Office Equipment	2,123,511	12,149	-	2,135,660	1,775,537	131,527	-	1,907,064	22
Furniture & Fixtures	1,677,128	-	-	1,677,128	1,366,256	80,487	-	1,446,743	23
Computer and Accessories	3,358,044	42,600	-	3,400,644	3,128,143	71,327	-	3,199,470	20
Electrical Installations	220,158	-	-	220,158	163,565	14,652	-	178,217	4
Vehicles -Freehold	2,027,152	-	-	2,027,152	914,945	347,341	-	1,262,286	76
	<b>9,405,993</b>	<b>54,749</b>	<b>-</b>	<b>9,460,742</b>	<b>7,348,446</b>	<b>645,334</b>	<b>-</b>	<b>7,993,780</b>	<b>1,46</b>
	(8,992,249)	(546,738)	(1,200,200)	(8,338,787)	(7,658,168)	(437,253)	(1,103,362)	(6,992,059)	(1,34)

B) Intangible Assets

Computer Software	764,084	-	-	764,084	717,591	4,671	-	722,262	4
	<b>764,084</b>	<b>-</b>	<b>-</b>	<b>764,084</b>	<b>717,591</b>	<b>4,671</b>	<b>-</b>	<b>722,262</b>	<b>4</b>
	(764,084)	-	(-)	(764,084)	(675,761)	(34,134)	(-)	(709,895)	(5)



**SHANKHCHHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**  
**Note 2.14: Inventories**

Stock-in-trade (At cost or market value whichever is lower)  
Equity Shares - (Fully paid-up)

Name of the Company	As at 31st March, 2019			As at 31st March, 2018		
	Face Value ₹	Quantity Nos.	Value ₹	Face Value ₹	Quantity Nos.	Value ₹
<b>Shankh Limited</b>	2/-	10,000	16,300	2/-	10,000	16,300
Amar Remedies Limited	10/-	44,900	272,543	10/-	44,900	272,543
Aash Industries Limited	10/-	15,000	231,750	10/-	15,000	468,750
Avenue Supermarkets Limited	10/-	195	286,865	10/-	-	-
Ashutosh Power Products Limited	10/-	-	-	10/-	1,000	4,600
Bajaj Finance Limited	2/-	80	187,839	1/-	-	-
Banania Industries Limited	1/-	165	493,774	1/-	-	-
BSNL Limited	10/-	200	146,130	10/-	-	-
BSNL Venture Limited	-	40	-	-	-	-
Central Depositor Ltd.	10/-	-	-	-	-	-
Delmar India Limited	1/-	1,500	613,200	10/-	500	141,325
Divyanshu Media Corporation Limited	-	2,500	-	1/-	-	-
East India Industries Limited	1/-	1,350	295,245	1/-	-	-
East Western Industries Limited	10/-	3,000	2,910	10/-	3,000	5,100
GLAXO Limited	10/-	1,065	250,877	10/-	-	-
GLAXO Corporation Limited	2/-	1,750	545,300	2/-	1,750	871,150
Himachal Speciality Chemical Limited	1/-	100	11,630	1/-	100	14,615
Hindustan Industries Limited	1/-	150	23,775	1/-	150	11,175
ICICI Bank Limited	2/-	1,170	430,267	2/-	-	-
Indiabulls Ventures Limited	2/-	10,000	484,000	2/-	10,000	484,000
Infinite Computer Solutions (I) Limited	10/-	146	28,933	10/-	146	28,933
Intellect Design Arena Limited	5/-	2,000	204,234	5/-	2,000	204,234
International paper M Ltd	10/-	-	-	10/-	250	72,838
Kanman Textiles Limited	10/-	390	-	10/-	390	-
Kingfisher Airlines Limited	10/-	7,500	10,200	10/-	7,500	10,200
Kotak Mahindra Bank Limited	10/-	180	216,890	10/-	-	-
Larsen & Toubro Limited	2/-	150	207,795	2/-	-	-
Luxor Limited	10/-	500	1,550	10/-	500	1,550
Marex Limited	1/-	900	302,806	1/-	-	-
Mitsubishi India Limited	10/-	46	306,937	10/-	-	-



**NAKAMICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**  
**Note 2.14: Inventories (Contd.)**

**Equity Shares - (Fully paid-up)**

Name of the Company	As at 31st March, 2019			As at 31st March, 2018		
	Face Value	Quantity	Value	Face Value	Quantity	Value
	₹	Nos.	₹	₹	Nos.	₹
Shakti Qawal Financial Services Limited	1/-	100	12,244	1/-	100	12,244
Sigma Corporation Limited	2/-	120,000	45,600	2/-	120,000	60,000
Shree Cements Limited	10/-	1,000	95,650	10/-	1,000	108,450
Shree Chem and Crop Protection Limited	10/-	5	1,905	10/-	5	1,905
Radico Khaitan Limited	2/-	130	51,363	2/-	-	-
Reliance Footwears Limited	1/-	20	4,971	1/-	20	4,971
Reliance Capital Limited	10/-	400	81,800	10/-	-	-
Reliance Industries Limited	10/-	650	735,801	10/-	-	-
Reliance Infrastructure Ltd	10/-	100	13,700	10/-	-	-
Ruchi soya Industries Limited	2/-	50,000	330,000	2/-	100	42,750
Sanghi Polyesters Limited	10/-	19,500	32,175	10/-	19,500	34,125
Shri Astar Silicates Limited	10/-	15,000	19,200	10/-	15,000	21,000
Silverline Technologies Limited	10/-	1,000	2,190	10/-	1,000	2,190
Specialty Rest Limited	10/-	500	52,150	10/-	500	61,575
Spicjet Limited	10/-	800	78,200	10/-	800	100,120
Steel Authority of India Limited	10/-	2,100	112,875	10/-	2,100	147,420
Subex Limited	10/-	2,000	11,500	10/-	2,000	15,400
Sun Pharmaceutical Industries Limited	1/-	880	373,445	1/-	40	19,804
Suzlon Energy Limited	2/-	5,000	30,750	2/-	5,000	53,500
Tata Steel Limited	10/-	500	260,500	10/-	-	-
Thirumalai Chemicals limited	1/-	30	2,649	1/-	-	-
Thomas Scott (India) Limited	10/-	1,000	8,600	10/-	1,000	14,500
Titan Company Limited	1/-	640	562,013	1/-	-	-
United Spirits Limited	2/-	630	348,957	2/-	1,500	-
Wadhwa Global Limited	10/-	20	12,758	10/-	20	12,758
Wynl Chemicals (I) Limited	1/-	-	-	1/-	2,000	159,600
Wahat Exports Overseas Limited	1/-	26,000	11,700	1/-	26,000	11,700
Wackhardt Limited	5/-	-	-	5/-	100	72,650
Yes Bank Limited	2/-	1,800	443,410	2/-	-	-
Zee Media Corporation Limited	1/-	10,000	184,000	1/-	10,000	290,883
<b>Total -A</b>		<b>364,782</b>	<b>9,491,855</b>		<b>304,971</b>	<b>3,854,857</b>



**NAKAMICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**  
**Note 2.14: Inventories (Contd.)**

**Equity Shares - (Fully paid-up)**

**Name of the Company**

**Quantities**

Nakamichi Estates Pvt Limited  
 Nengun Animation and Media Limited  
 Six Industries Limited

As at 31st March, 2019			As at 31st March, 2018		
Face Value	Quantity	Value	Face Value	Quantity	Value
₹	Nos.	₹	₹	Nos.	₹
10/-	9,000	530,000	10/-	9,000	530,000
10/-	400	-	10/-	400	-
10/-	11,780	32,395	10/-	11,780	41,031
<b>Total -B</b>	<b>21,180</b>	<b>562,395</b>		<b>21,180</b>	<b>571,031</b>
<b>Total -A+B</b>		<b>10,054,250</b>			<b>4,425,888</b>

Aggregate Book Value of quoted stock-in-trade  
 Aggregate Market Value of quoted stock-in-trade  
 Aggregate amount of fall in the value of stock-in-trade  
 accounted for

<u>13,731,359</u>	<u>3,899,610</u>
<u>13,207,296</u>	<u>8,223,921</u>
<u>(524,063)</u>	<u>4,324,312</u>



**SAKAMICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**

Note 2.10: Non-current Investments  
(Long Term) (Other than Trade)  
(At cost less provision for diminution in value)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<u>Investments in Equity Instruments-(Fully paid) - Quoted</u>	₹	Nos.	₹	₹	Nos.	₹
BH Limited	2/-	4,000	317,387	2/-	4,000	317
Easol Propack Limited	2/-	52,106	-	2/-	65,000	5,658
James & Nicholson (India) Limited	2/-	90,000	481,019	2/-	90,000	481
Sahasranga Ventures Limited ( Formerly, Microsec Financial Services Limited )	10/-	7,500	599,262	10/-	7,500	599
Ram Auto Industries Limited	1/-	13,000	399,864	1/-	14,000	407
Sangama India Limited	10/-	2,500	258,779	10/-	2,500	258
Sigma Technologies Limited	10/-	20,000	444,691	10/-	20,000	444
			2,501,002			8,167
Aggregate Book Value of quoted investments			2,501,002			8,167
Aggregate Market Value of quoted investments			-			-



**NAKAMICHI SECURITIES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**

Particulars	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
<b>Note 2.19: Revenue from Operations</b>		
Sale of Products (Shares and Securities)	34,393,644	151,208,867
Sale of Services (Broking and Depository)	14,567,035	18,914,834
Other Operating Income-		
Dividend income on shares held as stock-in-trade	23,973	204,856
Interest on Bank Deposits	6,663,359	7,570,958
Profit on sale of mutual fund units	195,699	498,786
Other Income	89,098	87,690
	<b>55,932,808</b>	<b>178,485,990</b>

**Note 2.20: Other Income**

Dividend income on shares held as long-term investments		
Interest on Income-tax refunds	178,300	118,635
Provision for Gratuity written back	-	78,293
Profit on sale of investments	-	439,820
Profit on sale of fixed assets	2,641,347	3,124,825
Miscellaneous Income	-	41,853
	37,638	50,702
	<b>2,857,285</b>	<b>3,854,128</b>

**Note 2.21: Changes in Inventories of Stock-in-Trade**

**CLOSING STOCK :**

Stock in Trade

10,054,250	4,425,888
10,054,250	4,425,888

**LESS : OPENING STOCK :**

Stock in Trade

4,425,888	19,162,301
4,425,888	19,162,301
<b>(5,628,362)</b>	<b>14,736,413</b>

(Increase)/Decrease in Stock in Trade





Particulars	Year ended 31st March, 2019 ₹	Year ended 31st March, 2018 ₹
<b>Note 2.22: Employee Benefit Expenses</b>		
Salaries, Bonus and Allowances	13,165,000	12,312,000
Staff Welfare Expenses	274,469	188,756
Gratuity	388,606	-
	<b>13,828,075</b>	<b>12,500,756</b>

**Note 2.23: Finance Cost**

Interest expenses	3,774,034	3,725,661
	<b>3,774,034</b>	<b>3,725,661</b>

**Note 2.24: Other Expenses**

Advertisement and Business Promotion	67,431	108,661
Communication Expenses	1,720,269	1,696,597
Computere Software Expenses	214,554	133,425
Depository & Other Charges	180,333	319,207
Director's Sitting Fee	32,640	28,140
Electricity Charges	814,323	747,526
Exchange/Clearing Charges (Net)	3,739,586	4,681,717
Insurance	37,028	48,507
Legal and Professional Charges	10,266,260	12,128,010
Membership & Subscription	23,500	46,000
Miscellaneous Expenses	464,880	536,116
Payment to auditors -		
As Auditors for Statutory Audit	50,000	50,000
For Taxation matters	30,000	30,000
For Certification work	-	30,000
Printing and Stationary	64,033	84,896
Prior Period Expenses	2,657	-
Rates and Taxes	3,843,650	5,681,667
Rent	984,001	984,000
Repairs to Others (other than Building and Plant and Machinery)	243,352	258,333
Sub-brokerage/ Referral Fee	7,037,057	10,290,003
Travelling and Conveyance	637,030	742,774
	<b>30,452,585</b>	<b>38,625,578</b>

**Note 2.25: Earning Per Share**

(i) Net Profit after tax for Equity Shareholders (₹)	677,636	11,617,762
(ii) Weighted average number of Equity Shares of ₹ 10/-each outstanding during the year (No of Shares)	3,000,000	3,000,000
(iii) Basic/Diluted Earning per Share {(i) divided by (ii)}	0.23	3.87



Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
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**Note 2.26 : Contingent Liability and Commitments (To the extent not provided for)**

Income demand/refunds under appeal (including amounts already paid in respect of the disputed amounts - ₹ 361,348/-, Previous year- ₹ 330,223/-)

361,348

744,675

The amounts shown above represent the best possible estimates arrived at based on available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimant as the case may be and therefore, can not be estimated accurately. The Company does not expect any reimbursement in respect of the above contingent

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeal.

**Note 2.27 : Directors' Remuneration**

Salaries, Bonus and Allowances in Note 2.24 include ₹1,718,400/- (Previous year - ₹ 1,680,000/-) in respect of whole-time Directors of the Company.



The company being engaged in frequent purchase and sales of shares & other securities in large quantities and of high value, it is not feasible to give quantitative details and value of purchases and sales of shares & other securities. Accordingly, the net income from operations has been given in the Profit & Loss Account.

**Note 2.29 : Disclosure in respect of Derivatives Instruments**

Profit /Loss recognized in the Statement of Profit & Loss due to valuation of outstanding futures/options contract as at the year end at fair value is as follows:-

Nature of Derivative Contract	Profit/(Loss)(Rs.)
Equity/Index Futures	466,116
Options Contracts	(135,794)
<b>Total</b>	<b>330,322</b>

**Note 2.30:**

Some of the investments in quoted / unquoted shares have witnessed substantial erosion in market value / net worth over the years. As certified by the Directors, this however does not indicate permanent decline in the value of these investments in view of future prospect and hence the decline in market value of these investments has not been provided for.



## (a) Names of Related Parties

## Key Management Personnel (KMP)

1. Mrs. Sarita Tibrewala
2. Ms. Snigdha Tibrewala
3. Mr. Sanjeet Kumar Singh

## Relatives of Key Management Personnel

1. Mrs. Kavita Lath (Modi)
2. Ms. Shruti Tibrewala (Oberoi)
3. Mr. Subhash Kumar Patodia
4. Ms. Sanchi Tibrewala (Murmura)
5. Mr. Ram Gopal Patodia
6. Ms. Kamini Tibrewala
7. Mr. Shyam Sunder Tibrewala
8. Mr. Pulkit Tibrewala
9. Mr. Manoj Oberoi
10. Ms. Swapna Patodia
11. Mrs. Asha Kothari

Companies on which KMP and/or their relatives have significant influence.

## (Associated Companies)

1. Sanchi Business & Finance Pvt. Ltd.
2. Navsun Marketing Pvt. Ltd.
3. Sahshru Finance Pvt. Ltd.
4. Nakamichi Estates Pvt. Ltd.

## (b) Related parties' transactions during the year -

	KMP	Relatives of KMP	Associated Companies	Total
	₹	₹	₹	₹
<b>Remuneration Paid</b>				
Mrs. Sarita Tibrewala	840,000	-	-	840,000
Ms. Snigdha Tibrewala	840,000	-	-	840,000
Mr. Sanjay Kumar Kothari	-	-	-	-
Mr. Sanjeet Kumar Singh	390,000	-	-	390,000
<b>Rent Paid.</b>				
Sahshru Finance Pvt. Ltd.	-	-	72,000	72,000
Nakamichi Estates Pvt. Ltd.	-	-	240,000	240,000
Navsun Marketing Pvt. Ltd.	-	-	72,000	72,000



(b) Related parties' transactions during the year (Contd.) -

**Brokerage Income**  
Navsun Marketing Pvt Ltd.  
Sanchi Business & Finance Pvt. Ltd.  
Shruti Tibrewala (Oberoi)  
Ram Gopal Patodia  
Subhash Kumar Patodia  
Snigdha Tibrewala

**Depository Charges Income**  
Navsun Marketing Pvt Ltd.  
Sanchi Business & Finance Pvt. Ltd.  
Sahshru Finance Pvt Ltd.  
Mrs. Sarita Tibrewala  
Ms. Snigdha Tibrewala  
Shruti Tibrewala (Oberoi)  
Kamini Tibrewala  
Ram Gopal Patodia  
Sanchi Tibrewala  
Mr. Shyam Sundar Tibrewala  
Subhash Kumar Patodia  
Mr. Pulkit Tibrewala  
Ms. Swapna Patodia  
Mr. Sanjay Kumar Kothari  
Mr. Asha Kothari

KMP	Relatives of KMP	Associated Companies	Total
₹	₹	₹	₹
-	-	16,476	16,476
-	-	105,735	105,735
-	63	-	63
-	985	-	985
-	740	-	740
#####	-	-	31,142
-	-	1,748	1,748
-	-	2,485	2,485
-	-	1,245	1,245
762	-	-	762
861	-	-	861
-	460	-	460
-	1,274	-	1,274
-	484	-	484
-	366	-	366
-	1,251	-	1,251
-	556	-	556
-	354	-	354
-	354	-	354
-	674	-	674
-	354	-	354
2,102,765	7,915	511,689	2,622,369



KMP	Relatives of KMP	Associated Companies	Total
₹	₹	₹	₹

(c) Related parties' Balances at year-end

Security deposit paid  
Nakamichi Estates Pvt Ltd

-	-	60,000	60,000
-	-	60,000	60,000

Figures in brackets are for the previous year

No amount has been written back/written off during the year in respect of dues to / from related parties.  
Related Party relationships have been identified by the management and relied upon by the Auditors.

**Note 2.32 : DUES TO MICRO SMALL AND MEDIUM ENTERPRISES**

There are no reported Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" to whom the Company owes any dues.

**Note 2.33 : EMPLOYEE BENEFITS**

(a) Employee benefit obligations have been accounted for following the Accounting Standard - 15 (AS 15) on "Employee Benefits".

(b) The Company has defined benefit plan, namely, gratuity for all employees, the liability for which is determined on the basis of actuarial valuation at the end of the year. The present value of obligations is determined based on actuarial valuation using the projected unit credit method. The Company does not have any obligation as on 31st March, 2018 in respect of employee benefit on account of leave encashment.

(c) Particulars in respect of defined benefit plan for the year ended 31st March, 2019 are as follows :-

I. Reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO) -

	2018-2019 Gratuity (Not funded) ₹	2017-2018 Gratuity (Not funded) ₹
a) Present value of DBO at the beginning of the year	581,758	1,021,578
b) Current Service Cost	252,900	211,496
c) Interest Cost	44,970	75,290
d) Actuarial (Gain)/Loss	90,736	(726,606)
e) (Benefits Paid)	-	-
Present value of DBO at the end of the year	970,364	581,758

II. Reconciliation of the present value of DBO in (I) above and fair value of plan assets -

	2018-2019 Gratuity (Not funded) ₹	2017-2018 Gratuity (Not funded) ₹
a) Present value of DBO at the end of the year	970,364	581,758
b) Fair value of PA as at the end of the year	-	-
c) (Asset)/Liability recognized in the Balance Sheet	970,364	581,758
Shown under Short-term Provision in Note - 2.8 being Current Liability on attrition	8,522	8,522
Shown under Long-term Provision in Note 2.4	961,842	573,236
Total	970,364	581,758



## III. Expense charged to the Profit and Loss Account -

	2018-2019 Gratuity (Not funded) ₹.	2017-2018 Gratuity (Not funded) ₹.
a) Current Service Cost	252,900	211,496
b) Interest cost	44,970	75,290
c) (Expected return on plan assets)	-	-
d) Actuarial (Gain)/Loss	90,736	(726,606)
e) Expense/(Income) charged/(credited) to Statement of Profit & Loss (net of write-back)	388,606	(439,820)

## IV. Principal actuarial assumptions -

	2018-2019 Gratuity (Not funded) ₹	2017-2018 Gratuity (Not funded) ₹
a) Discount rate (per annum)	7.65%	7.73%
b) Expected rate of return on Plan Assets (per annum)	N.A.	N.A.
c) Salary increment (per annum)	18.61%	7%
d) Normal age of retirement (years)	60	60

The estimates of future salary increment, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

d) The Company did not have any liability under defined contribution plan during the year.

## Note 2.34 : SEGMENT REPORTING

The Company is engaged in single segment as defined in Accounting Standard 17. Hence, segment reporting is not applicable.

## Note 2.35 : LEASE DISCLOSURE

The Company has entered into cancellable operating leases for office premises. Tenure of lease are for three to five years. Terms of the lease include operating term for renewal, if any, increase in rent, terms of cancellation etc. Related lease rentals aggregating to ₹ 984000/- (Previous Year - ₹ 954000/-) have been charged to the Statement of Profit & Loss.

## Note 2.36:

Previous year's figures have been reworked, regrouped, rearranged and/or reclassified wherever considered necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year's financial statements and are to be read to the amounts and other disclosures relating to the current year.

