

**KARTIK  
INVESTMENTS  
TRUST LIMITED**

**42<sup>nd</sup> ANNUAL REPORT  
2019-20**

## **Corporate Information**

### **Board of Directors**

P Nagarajan (DIN 00110344)  
R Chandrasekar (DIN 02687447)  
A Kavitha (DIN 07379851)

### **Secretary**

S Sangeetha

### **Auditors**

M/s. V K A N & Associates  
Chartered Accountants  
#6/23, APN Building, 2<sup>nd</sup> Floor, TTK Road, 1<sup>st</sup> Cross Street,  
Alwarpet, Chennai 600 018

### **Registered Office**

“Parry House”, 2<sup>nd</sup> Floor, No.43,  
Moore Street, Parrys, Chennai 600 001

### **Corporate Identity Number**

L65993TN1978PLC012913

### **Registrar and Share Transfer Agent**

Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad, Telangana – 500032

# CONTENTS

Notice to members .....	1
Board's Report.....	10
Independent Auditor's Report .....	29
Balance Sheet .....	38
Statement of Profit and Loss.....	39
Cash Flow Statement.....	40
Notes to the Financial Statements .....	42

**KARTIK INVESTMENTS TRUST LIMITED**

Registered Office: 'Parry House', II Floor, No.43, Moore Street, Parrys, Chennai 600 001

Phone: 044 2530 7123; Fax : 044 2534 6466

CIN: L65993TN1978PLC012913

E-mail ID: [kartikinvestmentstrust@gmail.com](mailto:kartikinvestmentstrust@gmail.com); Website: [www.kartikinvestments.com](http://www.kartikinvestments.com)

**NOTICE TO MEMBERS**

**Notice** is hereby given that the forty second annual general meeting of the members of Kartik Investments Trust Limited will be held at 4.00 p.m. on Thursday, 24<sup>th</sup> September, 2020 at 'Dare House', No.2, N.S.C. Bose Road, Parrys, Chennai 600 001 to transact the following business:

**ORDINARY BUSINESS:**

1) To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

**RESOLVED THAT** the board's report, the statement of profit and loss and the cash flow statement for the year ended 31 March, 2020 and the balance sheet as at that date together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

2) To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

**RESOLVED THAT** Mr. R. Chandrasekar (DIN 02687447), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the company liable to retire by rotation.

By Order of the board

Place : Chennai  
Date : June 10, 2020

**S Sangeetha**  
Company Secretary

## NOTES:

1. **A member entitled to attend and vote at the annual general meeting (AGM) may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the company. Proxy to be valid shall be deposited at the registered office of the company at least forty eight hours before the time for holding the meeting. A person shall not act as a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A person holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxy form for the AGM is enclosed.**
2. **The business set out in the notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this notice at the end.
3. Members / proxies are requested to bring their duly filled in attendance slips enclosed herewith to attend the meeting mentioning therein details of their DP and Client ID / Folio No.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.
5. Information as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of re-appointment of director is furnished and forms part of the notice.
6. Pursuant to the provisions of section 91 of the Act and the listing regulations, the register of members and share transfer books will remain closed from Friday, the 18 September, 2020 to Thursday, the 24 September, 2020 (both days inclusive).
7. All correspondence relating to change of address, change in the e-mail ID already registered with the company, transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the company may be made to KFin Technology Private Ltd., the registrar and share transfer agent (RTA). The members holding shares in dematerialised form may send such communication to their respective depository participant/s (DPs).
8. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form no. SH 13, duly filled in to the RTA. The prescribed form can be obtained from the RTA / DPs.

9. As an eco-friendly measure intending to benefit the environment and society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including annual reports from time to time in electronic form to the e-mail address provided by you. Members holding shares in dematerialised form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to RTA.
10. Copies of the annual report for 2020, notice of the 42<sup>nd</sup> AGM along with attendance slip and proxy form are being sent to all the members whose e-mail IDs are registered with the company / DPs for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail IDs, physical copies of the aforesaid documents are being sent in the permitted mode.
11. Members may note that the notice of the 42<sup>nd</sup> AGM and the annual report for 2020 will also be available on the company's website, *www.kartikinvestments.com* for download. The physical copies of the aforesaid documents will also be available for inspection at the company's registered office during normal business hours on working days up to the date of the meeting. For any communication, the members may also send requests to the company's e-mail id: *kartikinvestmentstrust@gmail.com*.
12. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.
13. Since shares of the Company are traded on stock exchange in demat mode, members holding shares in physical mode are advised to get their shares dematerialised. Effective 1 April, 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. Shareholders shall mandatorily convert your holdings to demat form if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the company / RTAs.
14. Members desirous of obtaining any information / clarification relating to the accounts are requested to submit their query in writing to the company well in advance so as to enable the management to keep the information ready.

By Order of the board

Place : Chennai  
Date : June 10,2020

**S Sangeetha**  
*Company Secretary*

**ANNEXURE TO THE NOTICE**

**A. DISCLOSURE UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS**

<b>Name of the KMP / Director</b>	Mr. R Chandrasekar
<b>DIN</b>	02687447
<b>Date of Birth</b>	May 22,1964
<b>Date of Appointment (Initial appointment)</b>	March 28, 2014
<b>Qualification</b>	Masters in Business Administration and a Post Graduate Diploma in Human Resource Management
<b>Expertise in specific functional area</b>	has over 34 years of professional experience in handling human resource functions.
<b>Number of meetings of the board attended during the year</b>	4 Meetings
<b>Inter-se relationship with any other directors or KMP of the company</b>	Nil
<b>Details of remuneration sought to be paid</b>	Nil
<b>Details of remuneration last drawn</b>	Nil
<b>No of shares held in the company</b>	Nil
<b>Directorships in other companies</b>	Chola Business Services Limited (CBSL)
<b>Membership in board committees of other companies</b>	- Nomination & Remuneration Committee of CBSL - Audit Committee of CBSL

## **VOTING THROUGH ELECTRONIC MEANS - INSTRUCTIONS**

Pursuant to the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 and the Listing Regulations as amended from time to time, the company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the notice convening the 42<sup>nd</sup> annual general meeting (AGM) scheduled to be held on Thursday, the 24 September, 2020 at 4.00 p.m.

The company has engaged the services of KFin Technologies Private Limited (Karvy) to provide remote e-voting facility to enable members to provide their votes in a secure manner.

The board of directors of the company has appointed Mr. R. Sridharan of M/s. R. Sridharan & Associates, practicing company secretary, Chennai as the scrutiniser for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. In terms of the requirements of the Act and the rules made there under, the company has fixed 17 September, 2020 as the cut-off date. The remote e-voting / voting rights of the members / beneficial owners shall be reckoned on the equity shares held by them as on cut-off date, i.e 17 September, 2020.

The remote e-voting facility begins on Monday, the 21 September, 2020 (9:00 a.m. Indian Standard Time) and ends on Wednesday, the 23 September, 2020 (5:00 p.m. Indian Standard Time). During this period, the members of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 17 September, 2020, are entitled to avail the facility to cast their vote electronically / voting in the general meeting as the case may be.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Private Limited upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.

The instructions for members voting electronically are as under:

**A. For members receiving an e-mail from Karvy, e-voting service provider [for members whose e-mail addresses are registered with the company / DP(s)]:**

- (i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be E-Voting Event Number- 5515 (EVEN) followed by folio number. In case of demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.



- (iii) After entering these details appropriately, click on “LOGIN”.
- (iv) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A - Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the E-voting event.
- (vii) Select the EVENT of Kartik Investments Trust Limited and click on “SUBMIT”.
- (viii) Now you are ready for e-voting as “Cast Vote” page opens.
- (ix) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR / AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR / AGAINST” taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- (x) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- (xi) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (xii) You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
- (xiii) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution(s).

(xiv) Corporate / institutional members (i.e. other than Individuals, HUF, NRI etc.,) are also required to upload in the e-voting portal, the scanned certified true copy (PDF Format) of the board resolution / authority letter etc., together with attested specimen signature(s) of the duly authorised representative(s) or alternatively to e-mail, to the scrutiniser at e-mail, [rsaevoting@gmail.com](mailto:rsaevoting@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above mentioned documents should be in the naming format “KARTIK – 42<sup>nd</sup> AGM”.

**B. Members holding shares in dematerialised form whose e-mail IDs are not registered with the company / DPs [for members holding shares in physical form as well as those members who have received physical copy of the notice of the AGM]:**

- i. E-Voting Event Number – (5515), User ID and Password is provided in the Attendance Slip. Please follow all steps from sl. no. (i) to sl. no. (xiv) above to cast your vote by electronic means.

**C. Voting at AGM:**

The members who have not cast their vote electronically, can exercise their voting rights at the AGM. The company will make necessary arrangements in this regard at the AGM Venue.

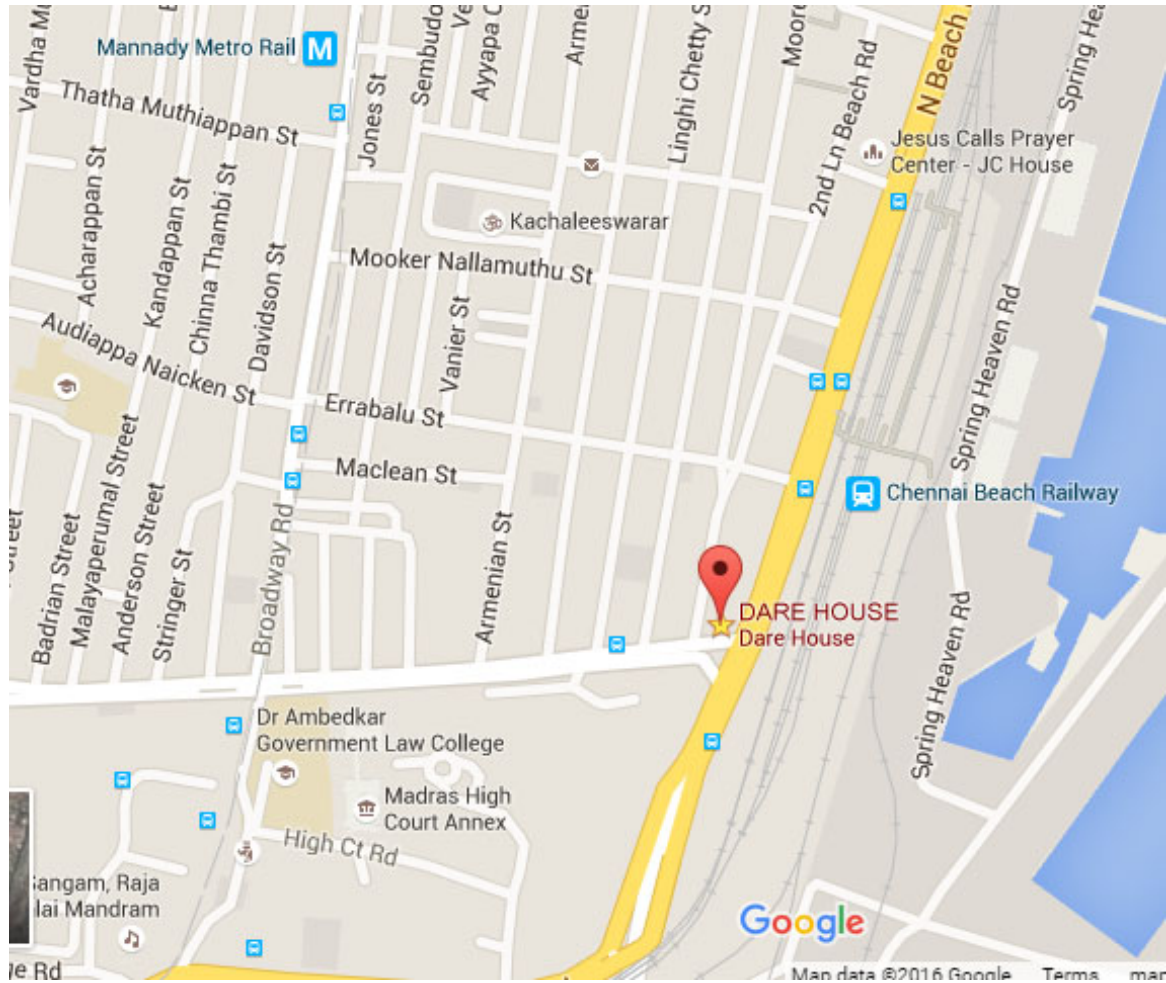
**Other instructions:**

- i. In case of any queries, you may refer Help & FAQ section of <https://evoting.karvy.com/public.faq.aspx> or call KFIN on 040-67162222 or on Toll-free No.1800 3454 001.
- ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date of 17 September, 2020.
- iv. Any person who acquires shares of the company and becomes a member of the company after dispatch of the notice to the members and holding shares as on the cut-off date of 17 September, 2020 may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). On receipt of user ID and password, please follow the steps from sl. no. (i) to sl. no. (xiv) mentioned in point ‘A’ above to cast your vote by electronic means. However, if you are already registered with KFIN for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot user details / Password” option available on <https://evoting.kfintech.com>.

- v. Members who have cast their votes through remote e-voting may also attend the AGM. However, those members are not entitled to cast their vote again in the AGM.
- vi. A member can opt for only one mode of voting i.e., either through remote e-voting or voting at the AGM. Thus, voting facility at the AGM shall be used only by those who have not exercised their right to vote through remote e-voting.
- vii. The scrutiniser shall immediately after the conclusion of the voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the company and make a consolidated scrutiniser's report on or before 25 September, 2020 of the total votes cast in favour or against, if any, to the chairman of the company or person authorised by him in writing who shall countersign the same.
- viii. The results declared along with the scrutiniser's report shall be placed on the company's website [www.kartikinvestments.com](http://www.kartikinvestments.com) and on the website of KFIN, <http://evoting.kfintech.com/public/downloads.aspx> after the result is declared by the Chairman / authorised person and simultaneously communicated to BSE Limited.

## Route Map for AGM Venue

Dare House, No.2, N.S.C. Bose Road, Parrys, Chennai 600 001



## BOARD'S REPORT

Your directors have pleasure in presenting the forty second annual report together with the audited accounts of the company for the year ended 31 March, 2020.

*(Rs. in lakhs)*

<b>FINANCIAL RESULTS</b>	<b>2019-20</b>	<b>2018-19</b>
Income	7.13	9.44
Expenses	7.73	6.53
Profit /(Loss) before taxation	(0.60)	2.92
Profit / (Loss) after taxation	(0.60)	2.92
Other Comprehensive Income/ ( Loss) for the year, net of tax	22.65	(19.13)
Total Comprehensive Income for the year, net of tax	22.05	(16.21)

### DIVIDEND

Your directors have not recommended any dividend for the year under review.

### RESERVES

No amount was transferred to the reserves during the financial year ended 31<sup>st</sup> March 2020.

### OPERATIONS

During the year under review, the gross income of the Company was at Rs. 7.13 lakhs as against Rs. 9.44 lakhs during the previous year. The Company made a loss of Rs.0.60 lakhs as against a profits of Rs. 2.92 lakhs during the previous year.

### DIRECTORS

#### Appointment:

Mr. R Chandrasekar (DIN 02687447), director retires by rotation at the ensuing annual general meeting and being eligible, has offered himself for re-appointment.

#### Retirement:

Mr. R Surendran, chairman of the Board retired at the conclusion of the 41<sup>st</sup> AGM held on 18<sup>th</sup> September 2019. The board places on record its deep appreciation for the contribution made by Mr. R Surendran during his tenure as the Chairman of the Board and member of its committees.

### DECLARATION FROM INDEPENDENT DIRECTORS

The independent directors (IDs), Mr. P Nagarajan and Ms. A Kavitha have submitted the declaration of independence, as required pursuant to section 149(7) of the Act, confirming that they meet the criteria

of independence as provided in section 149(6) of the Act. In the opinion of the board, the IDs fulfill the conditions specified in the Act and the rules made there under for appointment as IDs including the integrity, expertise and experience and confirm that they are independent of the management. The IDs of the company have registered their names with the data bank of IDs and are in the process of completion of online proficiency self-assessment test as per the timeline notified by the Ministry of Corporate Affairs (MCA).

### **KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of the Act read with the rules made there under, the following employees are the whole time key managerial personnel of the company during FY 20:

1. Ms. Bala Ravi, Chief Financial Officer & Manager (Appointed as Manager effective 15 May, 2019)
2. Ms. S Sangeetha, Company Secretary

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

The director's responsibility statement as required under sections 134(5) of the Act, reporting the compliance with accounting standards, is attached and forms part of board's report.

### **AUDITORS**

Pursuant to the provisions of section 139 of the Companies Act, 2013 ("the Act") and the rules framed there under read with Companies (Audit and Auditors) Rules, 2014, M/s. VKAN & Associates, chartered accountants are the statutory auditors of the company. They were appointed as statutory auditors of the company in the 40<sup>th</sup> annual general meeting (AGM) held on 27 September, 2018 for a period of five years commencing from the conclusion of 40<sup>th</sup> AGM till the conclusion of 45<sup>th</sup> AGM.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of the Act and the rules framed there under, Ms. Srinidhi Sridharan of M/s. Srinidhi Sridharan & Associates, Practicing Company Secretaries had undertaken a secretarial audit of the company for FY 20. The secretarial audit report is attached and forms part of this report and does not contain any qualification.

### **INFORMATION AS PER SECTION 134(3)(m) OF THE ACT**

The company has no activity relating to the consumption of energy or technology absorption. During the year, the company has not incurred any expenditure in foreign currency. The company does not have any foreign exchange earnings and no foreign currency remittance was made during the year.

### **BOARD MEETINGS**

During the year ended 31 March, 2020, the Board met four times on 15 May, 2019, 24 July, 2019, 24 October, 2019 and 23 January, 2020.

## **AUDIT COMMITTEE**

The Audit Committee comprises Mr. P Nagarajan, Mr. R. Chandrasekar and Ms. A. Kavitha as its members. During the year ended 31 March, 2020, the Committee had four meetings on 15 May, 2019, 24 July, 2019, 24 October, 2019 and 23 January, 2020.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises Mr. P Nagarajan, Mr. R Chandrasekar and Ms. A Kavitha as its members. During the year ended 31 March 2020, the Committee had two meetings on 15 May, 2019 and 23 January, 2020.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee comprises Mr. P Nagarajan, Mr. R Chandrasekar and Ms. A Kavitha as its members. During the year ended 31 March 2020, the Committee had two meetings on 15 May, 2019 and 24 October, 2019.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The company has established a whistle blower mechanism which inter-alia covers an avenue to raise concerns. The mechanism provides for adequate safeguards against victimisation of directors / employees / customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received.

## **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year 2020 and the date of this report.

## **INTERNAL COMPLIANTS COMMITTEE**

The company has in place a policy for prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. (POSH Act). The Company has complied with the provisions relating to constitution of Internal Complaints Committee (ICC) under the POSH Act. ICC has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the calendar year ended 31 December, 2019, there were no referrals received by ICC.

## **EXTRACT OF ANNUAL RETURN**

In accordance with sections 134(3)(a) of the Act, the extract of the annual return in Form MGT-9 is attached and forms part of this report.

**DISCLOSURE OF REMUNERATION:**

The Company does not have any employees and hence the disclosure with respect to remuneration as required under section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

**PARTICULARS OF EMPLOYEES**

During the year, there were no employees covered by the provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the company and its future operations.

**INTERNAL FINANCIAL CONTROLS**

Proper internal financial controls have been laid down to be followed by the Company with reference to the financial statements and such internal financial controls are adequate and operating effectively.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

No loans, guarantees or investments have been made under section 186 of the Act.

**RELATED PARTY TRANSACTIONS**

The company has in place a policy on related party transactions as approved by the board and the same is available on the website of the company

There were no transactions with related parties entered into by the Company during the FY 20.

None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company.

**FORMAL ANNUAL EVALUATION**

In compliance with the Section 134(3)(p) of the Companies Act, 2013 and the rules made there under, the annual performance evaluation of the Board was carried out during the year under review.

**RISK MANAGEMENT POLICY**

The Company has a risk management policy in place.



## REMUNERATION POLICY, CRITERIA FOR BOARD NOMINATION & SENIOR MANAGEMENT APPOINTMENT

The Board of directors has framed a remuneration policy relating to the remuneration of the directors, key managerial personnel and other employees. The Company has further formulated the criteria for board nomination and senior management appointment including determining qualifications, positive attributes and independence of a director.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

The company is a public limited company and has its registered office at Chennai. The shares of the company are listed on BSE Limited. The company has only one class of shares – equity shares of par value Rs.10/- each. The authorised share capital of the company is Rs.1 crore and the subscribed and paid up share capital of the company is Rs.24.40 lakhs divided into 2,44,000 shares of Rs.10/- each.

### Investments

The company's investments include Rs. 232.07 lakhs in equity shares and Rs. 57.50 lakhs in bank fixed deposits.

### Financial Review

## RESULT OF OPERATIONS

### Balance sheet

A summarised version of the company's balance sheet size is given below:

*Rs. in lakhs*

Particulars	March 2020	March 2019
<b>Assets</b>		
Non-Current investments	233.71	204.25
Other Assets	62.21	62.23
<b>TOTAL</b>	<b>295.72</b>	<b>266.48</b>
<b>Liabilities</b>		
Networth	258.93	236.88
Other Liabilities	36.79	29.60
<b>TOTAL</b>	<b>295.72</b>	<b>266.48</b>

## Statement of Profit & Loss

A summarised version of the company's statement of Profit & loss is given below:

*Rs. in lakhs*

Particulars	March 2020	March 2019
Income	7.13	9.44
Expenses	7.73	6.53
<b>Profit Before Tax (PBT)</b>	<b>(0.60)</b>	<b>2.92</b>
Current and Deferred Tax	-	-
<b>Profit After Tax (PAT)</b>	<b>(0.60)</b>	<b>2.92</b>
<b>Other Comprehensive Income / (Loss) for the year, net of tax</b>	<b>22.65</b>	<b>(19.13)</b>
<b>Total Comprehensive Income for the year net of tax</b>	<b>22.05</b>	<b>(16.21)</b>

## CORPORATE GOVERNANCE

As per regulation 15(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply to the listed entity having a paid up equity share capital not exceeding rupees ten crores and net worth not exceeding rupees twenty five crores as on the last day of the previous financial year. Accordingly, the corporate governance report is not applicable to the Company as the paid-up equity share capital of the Company was Rs.24.40 lakhs and net worth of the Company was Rs.234.53 lakhs as on 31 March, 2020

## COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The company has complied with all the provisions of secretarial standards issued by the Institute of Company Secretaries of India in respect of meetings of the board of directors and general meetings held during the year.

## ACKNOWLEDGEMENT

The directors wish to thank the bankers and other stakeholders for their continued support during the year under review.

On behalf of the Board

Place: Chennai  
Date: June 10, 2020

**P NAGARAJAN**  
*Chairman*

## DIRECTORS' RESPONSIBILITY STATEMENT

### (Annexure to the Board's Report)

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The board of director have instituted / put in place a framework of internal financial controls and compliance reports, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditor.

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures there from;
- (ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2020 and of the loss of the Company for the year ended on that date;
- (iii) they have made proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year ended 31 March, 2020 and
- (vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31 March, 2020.

On behalf of the Board

Place: Chennai  
Date: June 10, 2020

**P NAGARAJAN**  
*Chairman*



L65993TN1978PLC012913

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

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

The Members,  
**KARTIK INVESTMENTS TRUST LIMITED**  
CIN: L65993TN1978PLC012913  
Parry House, 2<sup>nd</sup> Floor  
43, Moore Street, Parrys  
Chennai - 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KARTIK INVESTMENTS TRUST LIMITED** (Corporate Identification Number: L65993TN1978PLC012913) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

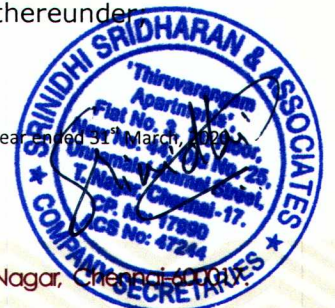
We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (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.

KARTIK INVESTMENTS TRUST LIMITED

Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2020

1



L65993TN1978PLC012913

(iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under Foreign Exchange Management Act, 1999 (FEMA) and hence the requirement of complying with the provisions of FEMA and the rules and regulations made thereunder does not arise.

(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, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the audit Period);
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ( Not applicable to the company during the audit period) ;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ( Not applicable to the company during the audit period) ;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ( Not applicable to the company during the audit period) ; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ( Not applicable to the company during the audit period);

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following major heads/groups:

- Reserve Bank of India Act, 1934, Rules, Regulations, guidelines, circulars, directions, notifications made there under.



L65993TN1978PLC012913

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered with BSE Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

### **We further report that**

The Board of Directors of the Company is constituted with proper balance of Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Directors/Committee Members and there were no dissenting members views recorded in the minutes.



L65993TN1978PLC012913


**We further report that** there are adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**We further report that** there were no specific events having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards during the period under review.

**PLACE: CHENNAI**  
**DATE : 10<sup>TH</sup> JUNE, 2020**

**For SRINIDHI SRIDHARAN & ASSOCIATES**  
**COMPANY SECRETARIES**



  
**CS SRINIDHI SRIDHARAN**  
**CP No. 17990**  
**ACS No. 47244**  
**UIN: S2017TN472300**  
**UDIN: A047244B000322081**

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**For the financial year ended March 31, 2020**  
*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS**

<b>Corporate Identification Number (CIN)</b>	L65993TN1978PLC012913
<b>Registration Date</b>	25 January, 1978
<b>Name of the Company</b>	Kartik Investments Trust Limited
<b>Category / Sub-Category of the Company</b>	Public Company / Limited by shares
<b>Address of the Registered office and contact details</b>	Parry House, II Floor, 43, Moore Street, Parrys, Chennai 600 001 Phone: 044 2530 7123; Fax: 044 25346464 E-mail: kartikinvestmentstrust@gmail.com
<b>Listed company (Yes / No)</b>	Yes
<b>Name, address and contact details of Registrar and transfer agent, if any</b>	KFin Technologies Private Limited (Unit : Kartik Investments Trust Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad, Telangana – 500032 Phone: 040-67161514; Fax: 040-23420814; E-mail: einward.ris@kfintech.com

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

All the business activities contributing 10 % or more of the total turnover of the company are given below:

S. No.	Name and description of main products / services	NIC Code of the product/ Service*	% to total turnover of the company
1	Investment Company	Section K – Group 649 –Other Financial Service activities, except insurance and pension funding activities	31.81%

*\*As per National Industrial Classification, Ministry of Statistics and Programme Implementation*

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

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

**(i) Category-wise Share Holding**

SN	Shareholder's Name	No. of Shares held at the beginning of the year (01-APR-2019)				No. of Shares held at the end of the year (31-MAR-2020)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(A)	<b>PROMOTER AND</b>									
(1)	INDIAN									
(a)	Individuals /HUF	600	0	600	0.25	600	0	600	0.25	0.00



SN	Shareholder's Name	No. of Shares held at the beginning of the year (01-APR-2019)				No. of Shares held at the end of the year (31-MAR-2020)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(b)	Central Government/State Government(s)			0	0.00			0	0.00	0.00
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
(c)	Bodies Corporate	1,77,950	0	1,77,950	72.93	1,77,950	0	1,77,950	72.93	0.00
(d)	Financial Institutions / Banks			0	0.00			0	0.00	0.00
(e)	Any Other - Trust	4,000	0	4,000	1.64	4,000	0	4,000	1.64	0.00
	<b>Sub-Total A(1) :</b>	<b>1,82,550</b>	<b>0</b>	<b>1,82,550</b>	<b>74.82</b>	<b>1,82,550</b>	<b>0</b>	<b>1,82,550</b>	<b>74.82</b>	<b>0.00</b>
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other :	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group A=A(1)+A(2)</b>	<b>1,82,550</b>	<b>0</b>	<b>1,82,550</b>	<b>74.82</b>	<b>1,82,550</b>	<b>0</b>	<b>1,82,550</b>	<b>74.82</b>	<b>0.00</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0	0	0	0	0	0.00
(b)	Financial Institutions /Banks	0	0	0	0	0	0	0	0	0.00
(c)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0.00
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0.00

SN	Shareholder's Name	No. of Shares held at the beginning of the year (01-APR-2019)				No. of Shares held at the end of the year (31-MAR-2020)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
(i)	Any Other :	0	0	0	0	0	0	0	0	0.00
	<b>Sub-Total B(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
(2)	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	19,240	10,200	29,440	12.07	29,340	100	29,440	12.07	0.00
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	19,706	12,304	32,010	13.12	19,906	12,104	32,010	13.12	0.00
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other - NRI/Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>38,946</b>	<b>22,504</b>	<b>61,450</b>	<b>25.18</b>	<b>49,246</b>	<b>12,204</b>	<b>61,450</b>	<b>25.18</b>	<b>0.00</b>
	<b>Total Public Shareholding B=B(1)+B(2) :</b>	<b>38,946</b>	<b>22,504</b>	<b>61,450</b>	<b>25.18</b>	<b>49,246</b>	<b>12,204</b>	<b>61,450</b>	<b>25.18</b>	<b>0.00</b>
	<b>Total (A+B) :</b>	<b>2,21,496</b>	<b>22,504</b>	<b>2,44,000</b>	<b>100.00</b>	<b>2,31,796</b>	<b>12,204</b>	<b>2,44,000</b>	<b>100.00</b>	<b>0.00</b>
(C)	<b>SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00

SN	Shareholder's Name	No. of Shares held at the beginning of the year (01-APR-2019)				No. of Shares held at the end of the year (31-MAR-2020)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A+B+C) :</b>	<b>2,21,496</b>	<b>22,504</b>	<b>2,44,000</b>	<b>100.00</b>	<b>2,31,796</b>	<b>12,204</b>	<b>2,44,000</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

SN.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	
	<b>PROMOTERS</b>							
1.	M.V. Murugappan (HUF)	-	-	-	-	-	-	-
2.	M.V Murugappan holds shares jointly with M.A Alagappan and M. M Murugappan	-	-	-	-	-	-	-
3.	M.V. Subbiah	100	0.04	Nil	100	0.04	Nil	Nil
4.	S. Vellayan	-	-	-	-	-	-	-
5.	A. Vellayan	50	0.02	Nil	50	0.02	Nil	Nil
6.	V. Narayanan	-	-	-	-	-	-	-
7.	V. Arunachalam	-	-	-	-	-	-	-
8.	A. Venkatachalam	50	0.02	Nil	50	0.02	Nil	Nil
9.	Arun Venkatachalam	-	-	-	-	-	-	-
10.	M.M. Murugappan	100	0.04	Nil	100	0.04	Nil	Nil
11.	M.M. Veerappan	-	-	-	-	-	-	-
12.	M.M. Muthiah	-	-	-	-	-	-	-
13.	M.M. Venkatachalam	-	-	-	-	-	-	-
14.	M.V. Muthiah	-	-	-	-	-	-	-
15.	M.V. Subramanian	-	-	-	-	-	-	-
16.	M.A. Alagappan	100	0.04	Nil	100	0.04	Nil	Nil
17.	Arun Alagappan	-	-	-	-	-	-	-
18.	M.A.M. Arunachalam	-	-	-	-	-	-	-
19.	E.I.D. Parry (India) Ltd.	23600	9.67	Nil	23600	9.67	Nil	Nil
20.	Coromandel International Ltd.	-	-	-	-	-	-	-
21.	New Ambadi Estates Pvt. Ltd.	-	-	-	-	-	-	-
22.	Ambadi Enterprises Ltd.	-	-	-	-	-	-	-

23.	Ambadi Investments Ltd. (Formerly Ambadi Investments Pvt. Ltd)	74758	30.64	Nil	74758	30.64	Nil	Nil
24.	Tube Investments of India Limited	-	-	-	-	-	-	-
25.	Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)	33790	13.85	Nil	33790	13.85	Nil	Nil
26.	Carborundum Universal Ltd.	24240	9.93	Nil	24240	9.93	Nil	Nil
27.	Murugappa & Sons (M.V. Subbiah, M.A. Alagappan and M.M. Murugappan hold shares on behalf of the Firm)	100	0.04	Nil	100	0.04	Nil	0.04
	<b>PROMOTER (A)</b>	<b>1,56,888</b>	<b>64.30</b>	-	<b>1,56,888</b>	<b>64.30</b>	<b>Nil</b>	-
	<b>PROMOTER GROUP (B)</b>	<b>25,662</b>	<b>10.52</b>	-	<b>25,662</b>	<b>10.52</b>	<b>Nil</b>	-
	<b>TOTAL (A)+(B)</b>	<b>1,82,550</b>	<b>74.82</b>	-	<b>1,82,550</b>	<b>74.82</b>	<b>Nil</b>	-

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1.	At the beginning of the year	1,82,550	74.82	1,82,550	74.82
2.	Date wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	NIL	NIL	NIL	NIL
3.	At the End of the year- Promoter and Promoter Group	1,82,550	74.82	1,82,550	74.82

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

S.No	Name	Shareholding at the Beginning of the year (01-04-2019)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	IGFT Private Limited	10100	4.14	01-04-2019	-	Nil		
				31-03-2020			10,100	4.14
2	Anuj A Sheth JT.1. Parul A Sheth	6200	2.54	01-04-2019		movement during the year		
				31-03-2020			6,200	2.54
3	Hiten A Sheth JT.1. Deepa H Sheth	6200	2.54	01-04-2019				
				31-03-2020			6,200	2.54

S.No	Name	Shareholding at the Beginning of the year (01-04-2019)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Gagandeep Credit Capital Pvt. Ltd.	6200	2.54	01-04-2019		Nil movement during the year		
				31-03-2020			6,200	2.54
5	Prescient Securities Pvt. Ltd.	6200	2.54	01-04-2019				
				31-03-2020			6,200	2.54
6	Anvil Fintrade Pvt. Ltd.	6200	2.54	01-04-2019				
				31-03-2020			6,200	2.54
7	Sonal Dharmesh Shah	3000	1.23	01-04-2019				
				31-03-2020			3000	1.23
8	Veerappan CT	1100	0.45	01-04-2019				
				31-03-2020			1100	0.45
9	Alagappan Murugappan	880	0.36	01-04-2019				
				31-03-2020		880	0.36	
10	Anuj Katta	740	0.30	01-04-2019				
				31-03-2020		740	0.30	

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

SN.	Name of the Director / KMP	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares	% of total shares of the Company				No of Shares	% of total shares of the Company
	<b>Directors:</b>							
1	Mr. R Surendran #	-	-	-	-	-	-	-
2	Mr. P Nagarajan	-	-	-	-	-	-	-
3	Ms. A Kavitha	-	-	-	-	-	-	-
4	Mr. R Chandrasekar	-	-	-	-	-	-	-
	<b>KMP:</b>							
5	Ms. Bala Ravi @	-	-	-	-	-	-	-
6	Ms. S Sangeetha	-	-	-	-	-	-	-

# Retired from the board at the conclusion of 41<sup>st</sup> AGM held on 18<sup>th</sup> September 2019

@ Appointed as Manager effective 15<sup>th</sup> May 2019

**V INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ ACCRUED BUT NOT DUE FOR PAYMENT: NIL**

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Manager:**

Sl. no.	Particulars of Remuneration	Ms. Bala Ravi - Manager (Amount in Rs.)
1.	Gross salary	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	
(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	- as % of profit - others, specify	
5.	Others, please specify	
	<b>Total (A)</b>	
	Ceiling as per the Act	60,00,000

**B. Remuneration to Directors:**

S.No.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
		R Surendran	A Kavitha	P Nagarajan	
<b>1.</b>	<b>Independent Directors</b>				
	• Fee for attending board	10,000	-	30,000	40,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>	10,000	-	30,000	40,000
<b>2.</b>	<b>Non-Executive Director</b>	<b>R Chandrasekar</b>			
	• Fee for attending board	-			-
	• Commission	-			-
	• Others, please specify	-			-
	<b>Total (2)</b>	-			-
	<b>Total (B)=(1+2)</b>				<b>40,000</b>
	Total Managerial Remuneration				<b>40,000</b>
	Overall Ceiling as per the Act excluding Sitting Fees				60,00,000

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

SN.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1.	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
	a. Allotment of Shares (including premium)	-	-	-
	b. Share application money pending allotment	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31 March, 2020.

# **Independent Auditor’s Report**

**To the Members of Kartik Investments Trust Limited**

**Report on the Ind AS Financial Statements**

## **Opinion**

We have audited the accompanying Ind AS financial statements of Kartik Investments Trust Limited (*“the Company”*) which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (*“the Act”*) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (*“Ind AS”*) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, changes in equity 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 Ind AS 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 on the Ind AS financial statements.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following key audit matter to be communicate in our report.

## **Valuation of unquoted financial assets held at fair value**

The valuation of the Company’s unquoted financial assets held at fair value was a key area of audit focus due to the significance of the amount and complexity involved in the valuation process. Management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company’s valuations.



In this regard we evaluated the assumptions, methodologies and models used by the Company. We performed a test check of a sample of positions and noted no significant variation. We also involved our valuation experts to assess the appropriateness of methodologies used and found that these are reasonable in the context of the relevant investment securities held.

### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's responsibility for the Ind AS Financial Statements**

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibility for the Audit of the Ind AS 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 Ind AS 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 Ind AS 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  
2. 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 Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

*For V K A N & Associates*  
*Chartered Accountants*  
ICAI Firm Registration No 014226S

Kaushik Venkatraman  
**Partner**  
Membership No. 222070  
UDIN:

Place: Chennai  
Date: 10<sup>th</sup> June 2020

## **Annexure A to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kartik Investments Trust Limited of even date)

### **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 Kartik Investments Trust Limited (“the Company”) as of March 31, 2020 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 V K A N & Associates*  
*Chartered Accountants*  
ICAI Firm Registration No 014226S

Kaushik Venkatraman  
**Partner**  
Membership No. 222070

Place: Chennai  
Date: 10<sup>th</sup> June 2020

## **Annexure B to the Independent Auditor's Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kartik Investments Trust Limited of even date)

- (i) The Company does not have any Fixed assets. Hence, clause 3(i) of the order is not applicable.
- (ii) The Company does not have any inventories and hence, clause 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Companies Act, 2013 and hence paragraph 3(iii) of the order is not applicable.
- (iv) The Company does not have any loan, guarantees or security. As the Company's principle business is acquisition of securities, the provisions of Section 186 as are applicable to other companies are not applicable to this Company.
- (v) According to the information and explanations made available to us, the Company has not accepted deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- (vii) According to the information and explanations given to us and on the basis of our examination of books of accounts in respect of statutory dues,
  - a) The Company has generally been regular in depositing undisputed statutory dues including Income Tax, Goods and Service Tax and other material statutory dues with the appropriate authorities. The statutes governing Provident Fund, Employees' State Insurance and Excise duty and Sales Tax are not applicable to the Company
  - b) There are no undisputed amounts payable in respect of Income Tax, Goods and Service Tax and other material statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable. The statutes governing Provident Fund, Employees' State Insurance, and Excise duty and Sales Tax are not applicable to the Company.
  - c) There are no dues of Income Tax, Goods and Service Tax, Customs Duty and other material statutory dues as on March 31, 2020 on account of any disputes. The statutes governing Provident Fund, Employees' State Insurance, and Excise duty and Sales Tax are not applicable to the Company.

- (viii) The Company has not borrowed any amounts from any financial institution, bank or debenture holders.
- (ix) According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration during the year
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with section 177 and 188 of the Act where ever applicable and details of such transactions with related parties have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and on the basis of our examination of books of accounts, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For V K A N & Associates**  
*Chartered Accountants*  
ICAI Firm Registration No 014226S

Kaushik Venkatraman  
**Partner**  
Membership No. 222070

Place: Chennai  
Date: 10<sup>th</sup> June 2020



**KARTIK INVESTMENTS TRUST LIMITED**  
**Balance Sheet as at 31st March 2020**  
**CIN-L65993TN1978PLC012913**

(All amounts are in Indian rupees unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Financial Assets			
Investments	2	23,207,275	20,250,282
Other non-current assets	3	164,073	174,404
		<b>23,371,348</b>	<b>20,424,686</b>
<b>Current Assets</b>			
Financial Assets			
Cash and Cash Equivalents	4	401,498	297,751
Other Bank Balances	5	5,750,000	5,800,000
Other current assets	6	48,726	125,641
		<b>6,200,224</b>	<b>6,223,392</b>
<b>Total Assets</b>		<b>29,571,572</b>	<b>26,648,078</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	7	2,440,000	2,440,000
Other Equity	8	23,453,028	21,248,365
<b>Total Equity</b>		<b>25,893,028</b>	<b>23,688,365</b>
<b>Non - Current Liabilities</b>			
Deferred Tax Liabilities (Net)	9	3,394,145	2,702,126
<b>Total non-current liabilities</b>		<b>3,394,145</b>	<b>2,702,126</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables	10	281,899	248,060
Other Current Liabilities	11	2,500	9,527
		<b>284,399</b>	<b>257,587</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,571,572</b>	<b>26,648,078</b>

The notes referred to above form an integral part of the Financial statements 1-23

This is the Balance sheet referred to in our report

**for V K A N & Associates**  
*Chartered Accountants*  
 Firm registration no: 014226S

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

**Kaushik Venkatraman**  
**Partner**  
 Membership No: 222070

**P NAGARAJAN**  
**Director**  
**DIN: 00110344**

**A KAVITHA**  
**Director**  
**DIN: 07379851**

**Place: Chennai**  
**Date: June 10, 2020**

**BALA RAVI**  
**Chief Financial Officer**

**SANGEETHA**  
**Company Secretary**

**KARTIK INVESTMENTS TRUST LIMITED**  
**Statement of Profit and Loss for the Year Ended March 31, 2020**  
**CIN-L65993TN1978PLC012913**

(All amounts are in Indian rupees unless otherwise stated)

	Notes	Year Ended 31-March-2020	Year Ended 31-March-2019
<b>Revenue from Operations</b>			
Revenue from Operations	12	226,677	428,299
Other Income	13	485,931	516,088
<b>Total Income</b>		<b>712,608</b>	<b>944,387</b>
<b>Expenses</b>			
Other Expenses	14	772,919	652,780
<b>Total Expense</b>		<b>772,919</b>	<b>652,780</b>
<b>Profit/(loss) Before Tax</b>		<b>(60,311)</b>	<b>291,607</b>
<b>Income Tax</b>			
- Current Tax	16	-	-
- Deferred Tax	16	-	-
<b>Profit/(loss) after tax (I)</b>		<b>(60,311)</b>	<b>291,607</b>
<b>Other Comprehensive income:</b>			
Net loss/gain on FVTOCI equity security		2,956,972	(2,414,778)
Income tax effect	16	691,998	502,274
<b>Other comprehensive income/(loss) for the year (II)</b>		<b>2,264,974</b>	<b>(1,912,504)</b>
<b>Total comprehensive income for the year (I + II)</b>		<b>2,204,663</b>	<b>(1,620,897)</b>
<b>Earnings Per Equity Share (Nominal value per share Re. 10)</b>			
(a) Basic	15	(0.25)	1.20
(b) Diluted	15	(0.25)	1.20

The notes referred to above form an integral part of the Financial statements

This is the statement of Profit & Loss referred to in our report

for **V K A N & Associates**

Chartered Accountants

Firm registration no: 014226S

For and on behalf of the Board of Directors

**Kaushik Venkatraman**

Partner

Membership No: 222070

**P NAGARAJAN**

Director

DIN: 00110344

**A KAVITHA**

Director

DIN: 07379851

Place: Chennai

Date: June 10, 2020

**BALA RAVI**

Chief Financial Officer

**SANGEETHA**

Company Secretary

**KARTIK INVESTMENTS TRUST LIMITED**  
**Cash Flow Statement for the Year Ended March 31, 2020**  
**CIN-L65993TN1978PLC012913**  
*(All amounts are in Indian rupees unless otherwise stated)*

<u>Particulars</u>	Year ended March 31, 2020	Year ended March 31, 2019
	Rs.	Rs.
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET PROFIT/(LOSS) BEFORE TAX	(60,311)	291,607
ADJUSTMENTS FOR :		
Interest Received	(485,931)	(516,088)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(546,242)	(224,481)
ADJUSTMENTS FOR :		
(Increase)/decrease in Other Non Current	10,331	564,217
(Increase)/decrease in Other Current Assets	125,641	34,046
Increase/(decrease) in Current Liabilities	(7,027)	(247)
Increase/(decrease) in Trade Payable	33,839	(8,651)
CASH GENERATED FROM OPERATIONS	(383,458)	364,884
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(383,458)</b>	<b>364,884</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received on deposits	437,205	390,447
Proceeds from fixed deposits from banks	50,000	(1,200,000)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>487,205</b>	<b>(809,553)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>103,747</b>	<b>(444,669)</b>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	<b>297,751</b>	<b>742,420</b>
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	<b>401,498</b>	<b>297,751</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
BALANCE AS PER BALANCE SHEET (NOTE 4)	401,498	297,751
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>401,498</b>	<b>297,751</b>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	<b>297,751</b>	<b>742,420</b>
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	<b>401,498</b>	<b>297,751</b>

Note: As the Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investments has been classified into operating and investing activity based on the intention of the Management at the time of purchase of securities or subsequent reassessment of intention and transfers made inter se between long-term and current investments.

1-23

The notes referred to above form an integral part of the Financial statements  
This is the statement of cash flows referred to in our report

*for V K A N & Associates*  
Chartered Accountants  
Firm registration no: 014226S

**Kaushik Venkatraman**  
Partner  
Membership No: 222070

Place: Chennai  
Date: June 10, 2020

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

**P NAGARAJAN**  
Director  
DIN: 00110344

**BALA RAVI**  
Chief Financial Officer

**A KAVITHA**  
Director  
DIN: 07379851

**SANGEETHA**  
Company Secretary

**KARTIK INVESTMENTS TRUST LIMITED**  
**Statement of Changes in Equity for the Year Ended 31st March 2020**  
**CIN-L65993TN1978PLC012913**

(All amounts are in Indian rupees unless otherwise stated)

**a. Equity Share Capital**

Balance as at 1 April 2018	2,440,000
Changes in equity share capital during 2018-19 (Refer Note No 7)	-
<b>Balance as at 31 March 2019</b>	<b>2,440,000</b>
Changes in equity share capital during 2019-20 (Refer Note No 7)	-
<b>Balance as at 31 March 2020</b>	<b>2,440,000</b>

**b. Other Equity**

Particulars	Retained Earnings	Equity Instruments through Other comprehensive Income	Total
<b>Balance at April 1 , 2018</b>	9,434,516	13,434,746	22,869,262
<b>2018-19</b>			
Equity shares issued during the year	-		-
Profit for the Year	291,607		291,607
Other comprehensive income for the year, net of income tax		(1,912,504)	(1,912,504)
<b>Balance at March 31, 2019</b>	<b>9,726,123</b>	<b>11,522,242</b>	<b>21,248,365</b>
<b>2019-20</b>			
<b>Balance as at April, 2019</b>	<b>9,726,123</b>	<b>11,522,242</b>	<b>21,248,365</b>
Equity shares issued during the year	-		-
Profit for the Year	(60,311)		(60,311)
Other comprehensive income for the year, net of income tax		2,264,974	2,264,974
<b>Balance at March 31, 2020</b>	<b>9,665,812</b>	<b>13,787,216</b>	<b>23,453,028</b>

The notes referred to above form an integral part of the Financial statements

1-23

This is the statement of changes in equity referred to in our report

for V K A N & Associates  
Chartered Accountants  
Firm registration no: 014226S

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

**Kaushik Venkatraman**  
**Partner**  
Membership No: 222070

**P NAGARAJAN**  
**Director**  
**DIN: 00110344**

**A KAVITHA**  
**Director**  
**DIN: 07379851**

**BALA RAVI**  
**Chief Financial Officer**

**SANGEETHA**  
**Company Secretary**

**Place: Chennai**  
**Date: June 10,2020**

## **KARTIK INVESTMENTS TRUST LIMITED**

### **Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

*(All amounts are in Indian rupees unless otherwise stated)*

#### **Notes to the Financial Statements**

##### **Company Overview**

Kartik Investments Trust Limited is a Public Company incorporated on 25 January 1978. The Company is into financial intermediation other than that conducted by monetary institutions

#### **1. Basis of Preparation and significant accounting policies**

##### **a) Statement of Compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant amendment rules issued there after.

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

##### **b) Basis of Measurement**

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

##### **c) Basis of Accounting**

The Financial Statements have been prepared under the historical cost convention under accrual basis of accounting

##### **d) Functional and Presentation Currency**

The functional currency of the Company is the Indian Rupee. All the financial information have been presented in Indian Rupees ( Rs) except for share data or as stated otherwise.

##### **e) Use of Estimates**

In preparing these financial statements, Management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

**Estimates** and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized prospectively.

**Judgements** are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements and the same is disclosed in the relevant notes to the financial statements.

**Assumptions** and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an on-going basis and the same is disclosed in the relevant notes to the financial statements.

## **KARTIK INVESTMENTS TRUST LIMITED**

### **Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

*(All amounts are in Indian rupees unless otherwise stated)*

#### **f) Revenue Recognition**

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from contracts with Customers". The policies mentioned below with respect to dividend income and interest income are related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

The Company recognises income on accrual basis to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. However, where the ultimate collection of revenue lacks reasonable certainty, revenue recognition is postponed

a) **Dividend income** from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

b) **Interest income** from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. Profit/loss on sale of investments is recognised on the trade date

#### **g) Earnings per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### **h) Taxation**

##### **(i) Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### **(ii) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **Current and Deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## **KARTIK INVESTMENTS TRUST LIMITED**

### **Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

*(All amounts are in Indian rupees unless otherwise stated)*

#### **i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

#### **j) Financial instruments**

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **k) Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

##### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- the debt instruments carried at amortised cost include cash.

##### Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

## **KARTIK INVESTMENTS TRUST LIMITED**

### **Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

*(All amounts are in Indian rupees unless otherwise stated)*

#### **Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

#### **Financial assets at fair value through profit or loss (FVTPL)**

The Company carries Investment in Mutual fund at FVTPL. Financial assets at FVTPL also includes assets held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **l) Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **m) Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.



## **KARTIK INVESTMENTS TRUST LIMITED**

### **Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

*(All amounts are in Indian rupees unless otherwise stated)*

#### **L.1. Financial liabilities at FVTPL**

Financial liabilities at FVTPL includes derivative liabilities. Non-derivative financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL. There are no non-derivative financial liabilities carried at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

#### **n) Impairment**

##### **Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on:

- '- financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- '- a breach of contract such as a default
- '- the restructuring of a loan or advance by the company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

The Company considers a financial asset to be in default when:

- '- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held)

## **KARTIK INVESTMENTS TRUST LIMITED**

### **Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

*(All amounts are in Indian rupees unless otherwise stated)*

#### **Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### **Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### **o) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **p) Operating Cycle**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **q) Recent accounting Pronouncements**

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments** : On March 30, 2020, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effect of Ind AS 12 Appendix C, would be insignificant for the entity.

**KARTIK INVESTMENTS TRUST LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31,2020***(All amounts are in Indian rupees unless otherwise stated)***2 - Financial assets - Investments**

	<b>Face Value</b>	<b>Number</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Investments at Fair Value Through Other Comprehensive Income (fully paid)</b>				
<b>Quoted equity shares</b>				
The Coromandel Engineering Co. Ltd	10	26,776	315,957	765,794
<b>Unquoted equity shares</b>				
Cholamandalam MS Risk Services Ltd	10	10,015	1,048,971	1,048,971
Chola Business Services Ltd	10	9,500	4,082,622	1,596,949
Murugappa Management Services Ltd	100	6,727	2,333,583	2,092,097
Murugappa Morgan Thermal Ceramic Ltd	10	1	42	42
Parry Enterprises Ltd	10	201,600	8,648,640	10,388,448
Cholamandalam MS General Insurance Ltd	10	103	5,104	5,104
Chola Insurance Distribution Services Private Ltd	10	12,084	6,772,357	4,352,877
<b>Total</b>			<b>23,207,275</b>	<b>20,250,282</b>

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose. Thus disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding.

**KARTIK INVESTMENTS TRUST LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31,2020***(All amounts are in Indian rupees unless otherwise stated)*

	As at March 31, 2020	As at March 31, 2019
<b>3 Other non-current assets</b>		
(Unsecured, considered good unless stated otherwise)		
Advance Income Tax (Net of Provision of INR 1,443,963 (March 31, 2019; INR 1,443,963))	164,073	174,404
	<u>164,073</u>	<u>174,404</u>
<b>4 Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
– In current accounts	401,498	297,751
	<u>401,498</u>	<u>297,751</u>
<b>5 Other Bank Balances</b>		
Fixed Deposits accounts	5,750,000	5,800,000
(Maturing more than 3 months and less than 12 months)		
	<u>5,750,000</u>	<u>5,800,000</u>
<b>6 Other current assets</b>		
(Unsecured, considered good unless stated otherwise)		
Interest accrued on bank deposits	48,726	125,641
	<u>48,726</u>	<u>125,641</u>

**KARTIK INVESTMENTS TRUST LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31,2020***(All amounts are in Indian rupees unless otherwise stated)*

	As at March 31, 2020	As at March 31, 2019
<b>7 Equity Share Capital</b>		
<b>Authorised Capital</b>		
1,000,000 (31 March 2019: 1,000,000) Equity Shares of Rs.10 each	10,000,000	10,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		
244,000 (31 March 2019: 244,000) Equity Shares of Rs.10 each	2,440,000	2,440,000
	<b>2,440,000</b>	<b>2,440,000</b>

**i. Rights, preferences and restrictions attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian Rupees and pays dividend to shareholders outside India in foreign currency based on the rates prevailing on the date of such remittances, with respect to other shareholders, dividend is paid in Indian Rupees.

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. During the current year and previous year the company has not declared any dividend.

**1. Shareholders holding more than 5% of the Equity Shares in the company**

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
Ambadi Investments Ltd.	74,758	30.64%	74,758	30.64%
Cholamandalam Financial Holdings Limited	33,790	13.85%	33,790	13.85%
Carborundum Universal Limited	24,240	9.93%	24,240	9.93%
EID Parry (India) Limited	23,600	9.67%	23,600	9.67%
Murugappa Educational and Medical Foundation	12,220	5.01%	12,220	5.01%

**2. Reconciliation of number of shares**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs	No. of Shares	Rs
Balance as at the beginning of the year	244,000	2,440,000	244,000	2,440,000
Issued and paid up during the year	-	-	-	-
Balance as at end of the year	244,000	2,440,000	244,000	2,440,000

**KARTIK INVESTMENTS TRUST LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31,2020***(All amounts are in Indian rupees unless otherwise stated)*

	As at March 31,2020	As at March 31, 2019
<b>8 Other equity</b>		
Retained earnings	9,665,812	9,726,123
Reserve for equity instruments through other comprehensive income	13,787,216	11,522,242
Total other equity	<u><u>23,453,028</u></u>	<u><u>21,248,365</u></u>
<b>i. Retained Earnings</b>		
Balance as per Statement of Profit and Loss		
Opening balance	9,726,123	9,434,516
Add/ (less) Profit / Loss for the year	-60,311	291,607
Closing balance	<u><u>9,665,812</u></u>	<u><u>9,726,123</u></u>
<b>ii. Reserve for Equity through other Comprehensive income</b>		
Opening balance	11,522,242	13,434,746
Additions / Deletions	2,264,974	-1,912,504
	<u><u>13,787,216</u></u>	<u><u>11,522,242</u></u>

**Nature and purpose of the Reserve-** This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

**Capital Management :** The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimal use of equity. The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity. The Company does not have any borrowing.

**9 Deferred tax Liability (net)**

Deferred tax Liability ( net)	3,394,145	2,702,126
	<u><u>3,394,145</u></u>	<u><u>2,702,126</u></u>

**10 Trade Payables**

Others	281,899	248,060
	<u><u>281,899</u></u>	<u><u>248,060</u></u>

**(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The management has identified certain enterprises which have provided goods and services to the Company and which qualify under the definition of "Micro and Small Enterprises" as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 has been made in the financial statements based on the information available with the Company and relied upon by auditors. Based on information available, there are no overdue amounts payable to such enterprises as at 31 March 2020.

**11 Other current liabilities**

Statutory liabilities	2,500	9,527
	<u><u>2,500</u></u>	<u><u>9,527</u></u>

**KARTIK INVESTMENTS TRUST LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31,2020***(All amounts are in Indian rupees unless otherwise stated)*

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>12. Revenue from Operations</b>		
Dividends from Investments	226,677	428,299
	<b>226,677</b>	<b>428,299</b>
<b>13. Other Income</b>		
Interest income on Bank Deposits	446,738	391,689
Interest on income tax refund	4,843	124,399
Liability no longer required written back	34,350	-
	<b>485,931</b>	<b>516,088</b>
<b>14. Other Expense</b>		
Rates and Taxes	386,964	322,211
Professional & Consultancy Charges	127,220	103,060
Advertisement	82,814	95,167
Auditor's Remuneration (Note a)	110,000	88,000
Sitting Fees	47,200	29,500
Other Expenses	18,721	14,842
	<b>772,919</b>	<b>652,780</b>
<b>(a) Auditor's Remuneration</b>		
Audit fee	68,000	68,000
Other services	27,000	16,250
Other Certification	15,000	3,750
	<b>110,000</b>	<b>88,000</b>

**Note 15 Earnings per share**

a) Earnings used in the calculation of basic/diluted earnings per share	-60,311	291,607
b) Number of equity shares of Re. 10/= each outstanding at the beginning of the year	244,000	244,000
c) Add : Number of shares issued during the year	-	-
d) Number of equity shares of Re. 10/= each outstanding at the end of the year	244,000	244,000
e) Weighted Average number of Equity Shares considered for basic/diluted earning per share	244,000	244,000
f) Basic EPS	-0.25	1.19
g) Diluted EPS	-0.25	1.19

**KARTIK INVESTMENTS TRUST LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31,2020***(All amounts are in Indian rupees unless otherwise stated)*

<b>16. Income taxes relating to continuous operations</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>16.1 Income tax recognised in profit or loss</b>		
<b>Current tax</b>		
In respect of current year	-	-
In respect of prior years	-	-
Others	-	-
<b>Deferred tax</b>		
In respect of current year	-	-
Deferred tax reclassified from equity to profit or loss	-	-
<b>Total income tax expense /(gain) recognised in the current year relating to continuing operations</b>	<b>-</b>	<b>-</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Profit / (Loss) before tax from continuing operations</b>	(60,311)	291,607
Income tax expense calculated at 25%	(15,078)	72,902
Effect of expense not allowable as deduction	-	-
Effect of income that is exempt from taxation	-	(72,902)
Deferred tax not recognised that used for current tax	15,078	-
	-	-
Adjustments recognised in current year relating to current tax of previous years	-	-
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<b>-</b>	<b>-</b>

The company has opted for new tax rate (25.17% including Surcharge and Cess) for the current year ending 31st Mar 2020. The deferred tax effect on carried over losses has not been recognised

**16.2 Income tax recognised in Other comprehensive income**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Deferred Tax</b>		
Net fair value gain on investments in equity shares at FVTOCI	691,998	502,274



**KARTIK INVESTMENTS TRUST LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

(All amounts are in Indian Rupees, except share data or otherwise as stated)

**17 Fair value measurements****Financial instruments by category**

Particulars	As at 31 March 2020			Fair value hierarchy		
	FVPL	FVOCI	Amortised cost	Level I	Level II	Level III
<b>Financial assets</b>						
1) Investments in quoted equity instruments at FVTOCI -#	-	315,957		315,957		-
2) Investments in unquoted equity instruments at FVTOCI- ^^	-	22,891,318		-	22,891,318	-
3) Cash and Cash Equivalents*			6,151,498			6,151,498
4) Trade Payable*			281,899			281,899
<b>TOTAL ASSETS</b>	<b>-</b>	<b>23,207,275</b>	<b>6,433,397</b>	<b>315,957</b>	<b>22,891,318</b>	<b>6,433,397</b>

Particulars	As at 31 March 2019			Fair value hierarchy		
	FVPL	FVOCI	Amortised cost	Level I	Level II	Level III
<b>Financial assets</b>						
1) Investments in quoted equity instruments at FVTOCI- #	-	765,794		765,794	-	-
2) Investments in unquoted equity instruments at FVTOCI- ^^	-	19,484,488		-	19,484,488	-
3) Cash and Cash Equivalents*			6,097,751			6,097,751
4) Trade Payable*			248,060			248,060
<b>TOTAL ASSETS</b>	<b>-</b>	<b>20,250,282</b>	<b>6,345,811</b>	<b>765,794</b>	<b>19,484,488</b>	<b>6,345,811</b>

# The Level 1 financial instruments are measured using quotes in active market

^^ The Level 2 financial instruments are measured using available audited financial statements of respective companies

\* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy. These accounts are considered to be highly liquid and the carrying amount of these are considered to be the same as their fair value.

**18 Financial risk management**

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk). The Company seeks to minimise the effects of these risks through appropriate risk management policies as detailed below. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**(i) Credit risk****Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its financing activities, including deposits with banks. The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**KARTIK INVESTMENTS TRUST LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

(All amounts are in Indian Rupees, except share data or otherwise as stated)

**(ii) Liquidity risk**

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The working capital position of the Company is given below:

Particulars	As at	As at
	31 March 2020	31 March 2019
Cash and bank balances	6,151,498	6,097,751
<b>Total</b>	<b>6,151,498</b>	<b>6,097,751</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019

Particulars	As at 31 March 2020			
	Less than one year	1-2 years	2 years and above	Total
Trade payables	281,899	-	-	281,899
<b>Total</b>	<b>281,899</b>	<b>-</b>	<b>-</b>	<b>281,899</b>

Particulars	As at 31 March 2019			
	Less than one year	1-2 years	2 years and above	Total
Trade payables	248,060	-	-	248,060
<b>Total</b>	<b>248,060</b>	<b>-</b>	<b>-</b>	<b>248,060</b>

**(iii) Market Risk**

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following market risk:

**Price Risk-** Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured. The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

19 There are no commitments / contingent liabilities as at the date of this financial statements

**20 Related party transactions**

a) List of related parties

Key Managerial Person:

Ms.Bala Ravi - Chief Financial Officer

Ms.Sangeetha - Company Secretary

**b) Related Party transactions**

*Amount in Lakhs*

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Ms.Bala Ravi	-	-
Ms.Sangeetha	-	-

**KARTIK INVESTMENTS TRUST LIMITED**

**Notes Forming Part of the Financial Statements for the Year Ended March 31,2020**

(All amounts are in Indian Rupees, except share data or otherwise as stated)

- 21 The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations, assessed the Company's liquidity position for the next one year and evaluated the recoverability and carrying value of its assets as at March 31, 2020. Based on its review, consideration of internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions relevant to the Company's operations, management has concluded that there are no adjustments required to the Company's financial statements. However, the estimated impact of COVID 19 might vary from the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.
- 22 There are no other significant subsequent events, apart from that which is detailed in Note 21 above, that have occurred after the reporting period till the date of this financial statements.
- 23 Previous year figures, wherever required, have been regrouped based on current year's classification.

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

**P NAGARAJAN**  
Director  
DIN: 00110344

**A KAVITHA**  
Director  
DIN: 07379851

**BALA RAVI**  
Chief Financial Officer

**SANGEETHA**  
Company Secretary

**Place: Chennai**

**Date: June 10, 2020**