

# DHRUVA

## **CAPITAL SERVICES LIMITED**



### *Twenty Sixth Annual Report*

**2019 - 2020**

#### **CONTENTS**

|                                   |    |                                   |    |
|-----------------------------------|----|-----------------------------------|----|
| Notice.....                       | 2  | Profit & Loss Account.....        | 26 |
| Board's Report.....               | 6  | Cash Flow Statement.....          | 27 |
| Independent Auditor's Report..... | 19 | Notes to the Fin. Statements..... | 29 |
| Balance Sheet.....                | 25 | NBFC Schedule.....                | 38 |

# Twenty Sixth Annual Report

## NOTICE

NOTICE is hereby given that the twenty sixth Annual General Meeting of the Members of the Company will be held on Wednesday, 30th day of September 2020, at 11.30 A.M. **through Video Conferencing (VC/OAVM)**, in accordance with the applicable provisions of The Companies Act, 2013 read with General Circulars no. 14/2020, 17/2020 & 20/2020, dated April 8,2020, April 13, 2020 & May 5, 2020 respectively, issued by the Ministry of Corporate Affairs (MCA), to transact the following businesses :-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss A/c as at 31st March, 2020, together with the Auditor's Report and Board's Report thereon.
2. To appoint a Director in place of Smt. Meena Karnawat, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

### 3. RATIFICATION OF APPOINTMENT OF AUDITORS

To consider & if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution: "Resolved that pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the recommendations of the Audit Committee and the resolution passed by the members at the twenty fourth AGM of the Company held on 30-09-2018, the appointment of M/s T.K. Bohara & Co., Chartered Accountants (Firm registration No. 000798C), Udaipur, as Auditors of the Company be and is hereby ratified."

By order of the Board  
For Dhruva Capital Services Ltd.  
sd/-  
(KAILASH KARNAWAT)  
MANAGING DIRECTOR  
DIN: 00300998

Place : Udaipur

Dated : 30-06-2020

### NOTES :

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8,2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (Collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) in physical presence of the members with the permission of the concerned authority along with providing the facility of VC or OAVM. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular SEBI/HO/CFD/CMDI/CIR/P/2020/79 dated May 12, 2020, the Twenty Sixth AGM of Company is being convened through Video Conferencing (VC/OAVM).
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September' 2020 to 30th September' 2020 (both days inclusive) for the purpose of holding 26<sup>th</sup> AGM.
3. Members are requested to :
  - (a) Notify any change in their registered address along with pin code numbers.
  - (b) Quote their respective **LEDGER FOLIO No. / DPID / Client ID** on every communication with the Company.
  - (c) Write to the Company at least 48 hours before the date of the meeting regarding any information on accounts so as to enable the Company to keep the information ready.
4. In terms of SEBI Circular dated 20th May 2009 and 7th January, 2010 pertaining to (i) transfer of physical shares (ii) deletion of name of the deceased shareholder(s) where the shares are held in the name of two or more shareholders (iii) transmission of shares to the legal heir(s), where deceased shareholders was the sole holder of shares, and (iv) transposition of shares (shares are held jointly in the names of two or more shareholders of listed company), the transferors are requested to furnish copy of their Permanent Accountant Number (PAN) Card along with other documents to the RTA for the above mentioned purpose, irrespective of the value of the transaction.
5. Details in respect of the Director seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / reappointment.
6. As per General Circular Number 20/2020 dated 5th May, 2020 of MCA, electronic copy of the Annual Report along with Notice of the 26<sup>th</sup> Annual General Meeting is being sent to all the members holding shares in demat form and whose email IDs are registered with the Company/Depository Participant(s) for communication purposes.
7. The Notice of the 26<sup>th</sup> Annual General Meeting and the Annual Report for F.Y.2019-20 will be available on the Company's website [www.dhruvacapital.com](http://www.dhruvacapital.com). Documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are

Registered Office : 003 - 'A', "Circle View", 169, Fatehpura, Near Sukhadia Circle, UDAIPUR - 313 001  
Ph.: 0294-2425555 Fax : 0294-2423150 Website : [www.dhruvacapital.com](http://www.dhruvacapital.com)

entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also sent requests to [dhruvacapital@gmail.com](mailto:dhruvacapital@gmail.com).

8. Relevant documents referred to in the accompanying Notice shall be open for inspection at the Registered/Corporate Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturday, up to the date of the Annual General Meeting of the Company.
9. Pursuant to SEBI Circular SEBI / HO / MIRSD / DOP 1 / CIR / P / 2018 / 73 dated 20<sup>th</sup> April, 2018, shareholders holding shares in physical form, whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish PAN & Bank details to the Company / Registrar & Transfer Agent (RTA) for Registration under their FOLIO.
10. In terms of SEBI Gazette Notification dated 8<sup>th</sup> June, 2018, shares in physical form will not be transferred after 5<sup>th</sup> December, 2018. Hence, in your interest, it is advised to get your shares converted into DEMAT form at the earliest.

## 11. APPOINTMENT OF SCRUTINIZER :

In compliance with provisions of the Companies Act, 2013, the Company is also offering the e-voting facility to the members to enable them to cast their votes electronically. E-voting facility would remain open only from 27.09.2020 to 29.09.2020 (both days inclusive).

Mr. Mukesh Bohara, Chartered Accountant, 4<sup>th</sup> Floor, Lodha Complex, Court Chouraha, Udaipur (CA Membership No. 401253) has been appointed as Scrutinizer for scrutinizing e-voting system in a fair and transparent manner and to give his report thereon.

## 12. SHAREHOLDER INSTRUCTIONS FOR E-VOTING :

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.dhruvacapital.com](http://www.dhruvacapital.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

## THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 27-09-2020 and ends on 29-09-2020 (Both days inclusive). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23-09-2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.

# Twenty Sixth Annual Report

- (v) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Shareholders holding shares in Demat Form and Physical Form |  |
|---|--|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>                |
| Dividend Bank Details OR Date of Birth (DOB)                    | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul> |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN (200831021) for the relevant company DHRUVA CAPITAL SERVICES LTD. on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

## PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

## INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.

# DHRUVA CAPITAL SERVICES LIMITED

Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [dhruvacapital@gmail.com](mailto:dhruvacapital@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [dhruvacapital@gmail.com](mailto:dhruvacapital@gmail.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

## **(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [dhruvacapital@gmail.com](mailto:dhruvacapital@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Rakesh Dalvi (022-23058542) or Mr. Mehboob Lakhani (022-23058543).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058738 / 022-23058542/43.

By order of the Board  
For Dhruva Capital Services Ltd.

sd/-

(KAILASH KARNAWAT)  
MANAGING DIRECTOR

DIN: 00300998

Place : Udaipur

Dated : 30-06-2020

## BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2020.

### 1. FINANCIAL RESULTS :

| For the Year ended                            | (Rs. in Lacs) |            |
|---|---------------|------------|
|   | 31-03-2020    | 31-03-2019 |
| Income From Operations                        | 18.82         | 19.48      |
| Other Income                                  | 3.66          | 3.42       |
| Operational Expenses                          | 14.85         | 15.53      |
| Profit/Loss before Dep., Tax & Misc. Expenses | 7.64          | 7.36       |
| Depreciation & Misc. Exp. W/off               | 4.28          | 4.28       |
| Provision for Taxation                        |               |            |
| 1. Current Taxes                              | 0.98          | 1.18       |
| 2. Deferred Taxes                             | (0.60)        | (0.52)     |
| Profit / Loss after Tax                       | 2.98          | 2.42       |
| Balance Carried to Balance Sheet              | 2.98          | 2.42       |

### 2. PERFORMANCE :

The Net Profit of the Company during the year under review was Rs. 2.98 Lakhs as compared to Net Profit of Rs. 2.42 Lakhs in the previous year.

### REVIEW OF OPERATIONS & FUTURE OUTLOOK :

Interest was the major source of earning during this year. The initiatives taken by the Company to improve its operations in the coming financial years are good. Your Company is intensifying its focus on the NBFC business & liquidate its real estate investment.

In view of nationwide lockdown announced by the government of India on 24th March, 2020 to control the spread of **COVID-19**, company's operations were temporarily disrupted at service facilities and other facilities.

The company continues to closely monitor the rapidly changing situation.

### 3. DIVIDEND :

Since your Company has not made enough profit during the year under review, your directors have not recommended any dividend.

### 4. PUBLIC DEPOSITS :

The Company has not accepted any deposit from public during the year ended 31st March, 2020, as per provisions of Sections 73 to 76 of the Companies Act, 2013.

### 5. SECRETARIAL AUDIT REPORT :

As done in earlier years, Secretarial Audit Report for the FY 2019-20, pursuant to section 204 (1) of the Companies Act, 2013 has been obtained by the Company from Shri Mohit Vanawat, a Company Secretary in practice (M. No.: 45179, C.P. No.: 16528) which is attached with this report & there is no qualification, reservation or adverse remark in it.

### 6. CONSERVATION OF ENERGY :

Not applicable since your Company being a Financial Services Company.

### 7. TECHNOLOGY ABSORPTION :

No comment is necessary considering the nature of activities of your Company during the year under review.

### 8. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Your Company does not have any foreign exchange earnings and outgo during the year under review.

### 9. DIRECTORS :

Mrs. Meena Karnawat, Director of the Company, in terms of sec. 152(6) of the Companies Act 2013, being eligible offers herself for reappointment, on retirement by rotation at the ensuing AGM.

## 10. NOMINATION & REMUNERATION POLICY :

This policy has been formulated in accordance with the provisions of sec. 178 of Companies Act, 2013 and the listing agreement with the Bombay Stock Exchange (BSE Ltd.).

The Major Criteria for recommending a person to become a Director are :

**Qualification** - He/She must have appropriate qualification and technical knowledge, which would be useful to the Company.

**Qualities** - Honesty and dedication for work should be possessed by a person, along with a strategic vision.

**Experience** - Work experience in different areas is also a matter of consideration.

**Track Record** - A clean track record is required for recommendation to the post of director. Appropriate Remuneration shall be paid to the directors, on above basis.

**Evaluation of performance is also made for the directors, the basis of which is mentioned hereunder :** Attendance, punctuality, Advises, Exercising of duties & powers given by board, conduct in compliance with the policies of Company viz. code of conduct & whistleblower policy etc., Ensuring Compliance with applicable laws/statutory obligations by the Company, Acting in good faith & in the best interest of the Company, Independence in judgments, Promoting best interest of shareholders, Resolution of Investor Complaints, Encouragement of talent retention/morality & Commitments/new initiatives, expansion & innovation/recognitions etc. and overall performance of any director are the criterion of evaluation.

## 11. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 134 (3) (C) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that :

- i. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- ii. the Directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year under review.
- iii. the Directors had taken 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. the Directors had arranged preparation of the accounts for the financial year ended March 31, 2020 on a "going concern" basis.
- v. the directors had laid down internal financial controls to be followed by the Company & that such internal financial controls are adequate and were operating effectively; &
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT :

### INDUSTRY STRUCTURE & DEVELOPMENT :

No concessions are being given to NBFC Industry by govt. so that the industry can withstand competitions from banks and other lending institutions. Moreover due to unhealthy business environment for the last many years, the margins have squeezed and the cost of operations has increased consistently.

### OPPORTUNITIES & THREATS :

Fluctuations in the interest rate in economy has created uncertainty in the business of finance. The biggest threat for Non Banking Finance Companies arise from the vast gap existing between demand and supply.

Another threat for Non Banking Finance Companies comes from increased competition from banking industry, which is in a position to lend at competitive rates due to availability of huge funds at a cheaper cost. The Company expect stable interest rates in the coming period and is confident of meeting the challenges by increasing volume of business at nominal margin.

### RISK AND CONCERNS :

Like any other industry, the Company's business is also exposed to various business risks.

Continuous efforts are made to reduce the cost of funds, increase the volume of the business and to control the NPAs within a bearable limit to minimize the impact of declining spread.

# Twenty Sixth Annual Report

## INTERNAL CONTROL SYSTEM :

The Company has proper and adequate internal control system in all the areas of its activities. The Company's Audit Committee reviewed the internal control system and looked in to the observations of the statutory auditor.

## DISCUSSION ON FINANCIAL PERFORMANCE :

The financial performance of the Company for the year has been discussed in the Director's Report and cash-flow statement is annexed with the Annual Accounts.

## HUMAN RESOURCES / INDUSTRIAL RELATIONS :

The relation between the Company and its employees remained cordial through-out the year and the management expects the same to continue and receive full support and cooperation from its employees in future also.

### 13. AUDITORS :

M/s T. K. Bohara & Co., Chartered Accountants, Auditors of the Company shall hold office until the conclusion of ensuing Annual General Meeting. The Auditors being eligible, offer themselves for reappointment. Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the said Auditors are eligible to hold office for a term up to next three years, subject to approval of shareholders at the ensuing AGM, as set out in the Notice of ensuing 26th AGM.

## **FORM MR-3**

### **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]**

To,

The Members,

DHRUVA CAPITAL SERVICES LIMITED,

003-A, "CIRCLE VIEW", APARTMENT, 169 - FATEHPURA, NEAR SUKHADIA CIRCLE,

UDAIPUR RJ 313001 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S **DHRUVA CAPITAL SERVICES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period **01.04.2019 to 31.03.2020**, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **DHRUVA CAPITAL SERVICES LIMITED** ("The Company") for the period ended on 31<sup>st</sup> March, 2020 according to the provisions of:

1. The Companies Act, 2013 (**the Act**) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings.
5. 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 as the Company has not issued any further share capital during the year under review**



- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
- 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;- Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;** and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**6. I have also examined compliance with the applicable clauses 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- a) The Reserve Bank of India Act, 1934.
- b) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. : **Non Deposit taking Company**
- c) Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- d) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
- e) Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

**8. I have also examined that during the year -**

- a. Company has complied with MSME Act, 2006 and Order 2 and 3 issued under Section 405 of the Companies Act, 2013 and has filed MSME Form 1 (Initial Return and Half Yearly Return) with ROC within the time period specified.
- b. Company has complied with Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014 and file DPT-3 form with ROC within the time period specified.
- c. Company has also complied with Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014 and file DIR-3 KYC form with ROC within the time period specified.

**9. I further report that:**

- A. the Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes made to the composition of the Board of Directors were duly carried out during the period covered under the Audit. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

# Twenty Sixth Annual Report

| S.No. | NAME OF DIRECTORS     | CATEGORY                              |
|-------|-----------------------|---------------------------------------|
| 1.    | Mr. KAILASH KARNAWAT  | Managing Director, Promoter Executive |
| 2.    | Mrs. MEENA KARNAWAT   | Promoter Non-Executive                |
| 3.    | Mr. ASHOK KUMAR DOSHI | Independent Non-Executive             |
| 4.    | Mr. UPENDRA TATER     | Independent Non-Executive             |

B. 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.

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

10. I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

11. I further report that during the review period no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

Place: Udaipur  
Dated: 30th June, 2020

FOR MOHIT VANAWAT AND ASSOCIATES

Sd/-  
(MOHIT VANAWAT )  
Company Secretaries  
M. No.: 45179, C.P. No.: 16528

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.  
"ANNEXURE A"

To,  
The Members,  
DHRUVA CAPITAL SERVICES LIMITED,  
003-A, "CIRCLE VIEW", APARTMENT, 169 - FATEHPURA, NEAR SUKHADIA CIRCLE,  
UDAIPUR RJ 313001 IN

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR MOHIT VANAWAT AND ASSOCIATES

Sd/-  
(MOHIT VANAWAT )  
Company Secretaries  
M. No.: 45179, C.P. No.: 16528

Place : Udaipur  
Dated: 30th June, 2020

# DHRUVA CAPITAL SERVICES LIMITED

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5(1)

| Sr. No. | NAME OF DIRECTOR / KMP & DESIGNATION | REMUNERATION FOR 2019-20 (Amount in Rs.) | PERCENTAGE INCREASE/(DECREASE) IN COMPARISON TO PREVIOUS YEAR | RATIO IN COMPARISON TO MEDIAN REMUNERATION OF EMPLOYEES |
|---------|--------------------------------------|--|---|---|
| 1       | MR. L.S. KARNAWAT (C)                | NIL                                      | N.A.  | N.A.  |
| 2       | MR. KAILASH KARNAWAT (MD)            | 7,20,000/-                               | NIL   | 6:1   |
| 3       | MRS. MEENA KARNAWAT(D)               | NIL                                      | N.A.  | N.A.  |
| 4       | MR. LALIT KACHHARA (D)               | NIL                                      | N.A.  | N.A.  |
| 5       | MR. UPENDRA TATER (D)                | NIL                                      | N.A.  | N.A.  |
| 6       | MR. ASHOK KUMAR DOSHI (D)            | NIL                                      | N.A.  | N.A.  |

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020

[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 :

|      |   |   |
|------|---|---|
| i.   | CIN   | L67120RJ1994PLC008593   |
| ii.  | Registration Date   | 31.01.1995  |
| iii. | Name of the Company   | DHRUVA CAPITAL SERVICES LTD.  |
| iv.  | Category/ Sub-Category of the Company                                     | PUBLIC COMPANY/ LIMITED BY SHARES   |
| v.   | Address of the Registered office and contact details                      | 003-A, CIRCLE VIEW APARTMENTS,<br>169, FATEHPURA, SUKHADIA CIRCLE,<br>UDAIPUR 313001<br>PHONE No. : 0294-2425555, +91-9414471999  |
| vi.  | Whether listed company  | Yes (with BSE Ltd.)   |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | BIGSHARE SERVICES PVT. LTD.,<br>1st Floor, Bharat Tin Works Building,<br>Opp. Vasant Oasis Apartments, Makwana Road,<br>Marol, Andheri East, Mumbai - 400059<br>Tel. No. 022-62638200, Fax : 022-62638299<br>E-mail : info@bigshareonline.com<br>www.bigshareonline.com |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1.      | FINANCIAL SERVICES                               | 649                               | 80.58                              |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : [ NOT APPLICABLE ]

# DHRUVA CAPITAL SERVICES LIMITED

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

### a. Category-wise Share Holding

| Category of Shareholders   | No. of Shares held at the beginning of the year 01.04.2019 |               |                |                   | No. of Shares held at the end of the year 31.03.2020 |               |                |                   | % Change during the year |
|--|--|---------------|----------------|-------------------|--|---------------|----------------|-------------------|--------------------------|
|  | Demat  | Physical      | Total          | % of Total Shares | Demat  | Physical      | Total          | % of Total Shares |                          |
| <b>A. Promoter</b>   |  |               |                |                   |  |               |                |                   |                          |
| <b>1) Indian</b>   |  |               |                |                   |  |               |                |                   |                          |
| a) Individual/ HUF   | 1358000  | NIL           | 1358000        | 41.6347           | 1358000  | NIL           | 1358000        | 41.6347           | NIL                      |
| b) Central Govt.   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| c) State Govt.(s)  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| d) Bodies Corp   | 842800   | NIL           | 842800         | 25.8393           | 842800   | NIL           | 842800         | 25.8393           | NIL                      |
| e) Banks / FI  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| f) Any Other   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| <b>Sub-total (A) (1):</b>  | <b>2200800</b>   | <b>NIL</b>    | <b>2200800</b> | <b>67.4740</b>    | <b>2200800</b>                                       | <b>NIL</b>    | <b>2200800</b> | <b>67.4740</b>    | <b>NIL</b>               |
| <b>2) Foreign</b>  |  |               |                |                   |  |               |                |                   |                          |
| g) NRIs/Individuals  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| h) Other-Individuals   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| i) Bodies Corp.  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| j) Banks / FI  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| k) Any Other....   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| <b>Sub-total(A)(2):</b>  | <b>NIL</b>   | <b>NIL</b>    | <b>NIL</b>     | <b>NIL</b>        | <b>NIL</b>   | <b>NIL</b>    | <b>NIL</b>     | <b>NIL</b>        | <b>NIL</b>               |
| <b>B. Public Shareholding</b>  |  |               |                |                   |  |               |                |                   |                          |
| <b>1. Institutions</b>   |  |               |                |                   |  |               |                |                   |                          |
| a) Mutual Funds  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| b) Banks / FI  | 31169  | NIL           | 31169          | 0.9556            | 31169  | NIL           | 31169          | 0.9556            | NIL                      |
| c) Central Govt.   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| d) State Govt(s)   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| e) Venture Capital Funds   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| f) Insurance Companies   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| g) FIs   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| h) Foreign Venture Capital Funds   | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| i) Others (specify)  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| <b>Sub-total (B) (1)</b>   | <b>31169</b>   | <b>NIL</b>    | <b>31169</b>   | <b>0.9556</b>     | <b>31169</b>   | <b>NIL</b>    | <b>31169</b>   | <b>0.9556</b>     | <b>NIL</b>               |
| <b>2. Non Institutions</b>   |  |               |                |                   |  |               |                |                   |                          |
| a) Bodies Corp.  |  |               |                |                   |  |               |                |                   |                          |
| (i) Indian   | 51142  | 1600          | 52742          | 1.617             | 49403  | 1600          | 51003          | 1.5637            | -0.0533                  |
| (ii) Overseas  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| b) Individuals   |  |               |                |                   |  |               |                |                   |                          |
| (i) Individual Shareholders holding nominal share capital upto Rs.2 lakhs          | 378108   | 181625        | 559733         | 17.1608           | 350993   | 181625        | 532618         | 16.3295           | -0.8313                  |
| (ii) Individual Shareholders holding nominal share capital in excess of Rs 2 lakhs | 416996   | NIL           | 416996         | 12.7846           | 416996   | NIL           | 416996         | 12.7846           | NIL                      |
| c) Clearing Member   | 260  | NIL           | 260            | 0.0080            | 930  | NIL           | 930            | 0.0285            | 0.0205                   |
| d) HUF   | NIL  | NIL           | NIL            | NIL               | 28184  | NIL           | 28184          | 0.8641            | 0.8641                   |
| <b>Sub-total(B)(2)</b>   | <b>877675</b>  | <b>183225</b> | <b>1060900</b> | <b>32.5260</b>    | <b>877675</b>  | <b>183225</b> | <b>1060900</b> | <b>32.5260</b>    | <b>NIL</b>               |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                                 | <b>877675</b>  | <b>183225</b> | <b>1060900</b> | <b>32.5260</b>    | <b>877675</b>  | <b>183225</b> | <b>1060900</b> | <b>32.5260</b>    | <b>NIL</b>               |
| C. Shares held by Custodian for GDRs & ADRs  | NIL  | NIL           | NIL            | NIL               | NIL  | NIL           | NIL            | NIL               | NIL                      |
| <b>Grand Total (A+B+C)</b>   | <b>3078475</b>   | <b>183225</b> | <b>3261700</b> | <b>100.00</b>     | <b>3078475</b>                                       | <b>183225</b> | <b>3261700</b> | <b>100.00</b>     | <b>NIL</b>               |

# DHRUVA CAPITAL SERVICES LIMITED

## b. Shareholding of Promoters for the period 01.04.2019 to 31.03.2020

| Sr. No | 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 |   |
| 1.     | MEENA KARNAWAT                  | 651800                                    | 19.9834                          | NIL  | 651800                              | 19.9834                          | NIL  | NIL                                       |
| 2.     | Nakul Buld. & Devlop. (P) LTD.  | 644500                                    | 19.7596                          | NIL  | 644500                              | 19.7596                          | NIL  | NIL                                       |
| 3.     | KAILASH KARNAWAT                | 576200                                    | 17.6656                          | NIL  | 576200                              | 17.6656                          | NIL  | NIL                                       |
| 4.     | Karnawat Hire Purchase (P) LTD. | 198300                                    | 6.0797                           | NIL  | 198300                              | 6.0797                           | NIL  | NIL                                       |
| 5.     | L.S. KARNAWAT                   | 70000                                     | 2.1461                           | NIL  | 70000                               | 2.1461                           | NIL  | NIL                                       |
| 6.     | DHRUVA KARNAWAT                 | 30000                                     | 0.9198                           | NIL  | 30000                               | 0.9198                           | NIL  | NIL                                       |
| 7.     | KAILASH KARNAWAT (HUF)          | 20000                                     | 0.6132                           | NIL  | 20000                               | 0.6132                           | NIL  | NIL                                       |
| 8.     | PUSHPA DEVI KARNAWAT            | 10000                                     | 0.3066                           | NIL  | 10000                               | 0.3066                           | NIL  | NIL                                       |
|        | Total                           | 2200800                                   | 67.47                            | NIL  | 2200800                             | 67.47                            | NIL  | NIL                                       |

## c. Change in Promoters' Shareholding (please specify, if there is no change)

[NO CHANGE IN PROMOTER'S SHAREHOLDING]

## V. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS OTHER THAN PROMOTERS, DIRECTORS AND HOLDERS OF ADR's, GDR's.

| Sr. No | Shareholder's Name    | Shareholding     |                                  | AS ON (DATE)             | INCREASE/ DECREASE | REASON   |
|--------|-----------------------|------------------|----------------------------------|--------------------------|--------------------|----------|
|        |                       | No. of Shares    | % of total Shares of the company |                          |                    |          |
| 1.     | NAKUL KARNAWAT        | 200800<br>200800 | 6.156<br>6.156                   | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |
| 2.     | AKASH SUNILBHAI JAIN  | 116500<br>116500 | 3.572<br>3.572                   | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |
| 3.     | SHEELA DEVI KASTURI   | 30000<br>30000   | 0.9198<br>0.9198                 | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |
| 4.     | NIRMALABEN K. SHAH    | 25086<br>25086   | 0.77<br>0.77                     | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |
| 5.     | BHARATI NAVLANI       | 22480<br>22480   | 0.69<br>0.69                     | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |
| 6.     | MANGILAL PORWAL       | 22130<br>22130   | 0.68<br>0.68                     | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |
| 7.     | VINOD GANDHI          | 14150<br>14150   | 0.43<br>0.43                     | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |
| 8.     | KETAN PRANLAL VADALIA | 2600<br>13695    | 0.0797<br>0.4199                 | 01.04.2019<br>31.03.2020 | 0.3402             | Purchase |
| 9.     | SHARDA NIRMAL NAVLANI | 13507<br>13507   | 0.4141<br>0.4141                 | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |
| 10.    | RUPINDER JIT KAUR     | 13000<br>13000   | 0.3986<br>0.3986                 | 01.04.2019<br>31.03.2020 | NIL                | N.A.     |

# Twenty Sixth Annual Report

## VI. INDEBTEDNESS

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

|  | Secured Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits   | Total<br>Indebtedness |
|--|--|--------------------|------------|-----------------------|
| Indebtedness at the beginning<br>of the financial year |  |                    |            |                       |
| i) Principal Amount                                    | NIL                                    | 319488.00          | NIL        | 319488.00             |
| ii) Interest due but not paid                          | NIL                                    | NIL                | NIL        | NIL                   |
| iii) Interest accrued but not due                      | NIL                                    | NIL                | NIL        | NIL                   |
| <b>Total(i+ii+iii)</b>                                 | <b>NIL</b>                             | <b>319488.00</b>   | <b>NIL</b> | <b>319488.00</b>      |
| Change in Indebtedness<br>during the financial year    |  |                    |            |                       |
| - Addition   | NIL                                    | 30000.00           | NIL        | 30000.00              |
| - Reduction  | NIL                                    | NIL                | NIL        | NIL                   |
| Net Change   | NIL                                    | 30000.00           | NIL        | 30000.00              |
| Indebtedness at the<br>end of the financial year       |  |                    |            |                       |
| i) Principal Amount                                    | NIL                                    | 349488.00          | NIL        | 349488.00             |
| ii) Interest due but not paid                          | NIL                                    | NIL                | NIL        | NIL                   |
| iii) Interest accrued but not due                      | NIL                                    | NIL                | NIL        | NIL                   |
| <b>Total (i+ii+iii)</b>                                | <b>NIL</b>                             | <b>349488.00</b>   | <b>NIL</b> | <b>349488.00</b>      |

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A.Remuneration to Man. Director, Whole-time Directors and/or Manager/KMP (Amount in Rs.)

| Sl.<br>No. | Particulars of Remuneration   | Name of MD / WTD / Manager |                     |                    | Total Amount     |
|------------|---|----------------------------|---------------------|--------------------|------------------|
|            |   | KAILASH KARNAWAT<br>(MD)   | SOMALI JAIN<br>(CS) | JUHI SAMRA<br>(CS) |                  |
| 1.         | Gross salary  |                            |                     |                    |                  |
|            | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 720000/-                   | 20000/-             | 27000/-            | 767000/-         |
|            | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | NIL                        | NIL                 | NIL                | NIL              |
|            | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | NIL                        | NIL                 | NIL                | NIL              |
| 2.         | Stock Option  | NIL                        | NIL                 | NIL                | NIL              |
| 3.         | Sweat Equity  | NIL                        | NIL                 | NIL                | NIL              |
| 4.         | Commission  |                            |                     |                    |                  |
|            | - as% of profit   | NIL                        | NIL                 | NIL                | NIL              |
|            | - others,specify  | NIL                        | NIL                 | NIL                | NIL              |
| 5.         | Others, please specify  | NIL                        | NIL                 | NIL                | NIL              |
| 6.         | Total(A)  | 720000/-                   | 20000/-             | 27000/-            | 767000/-         |
|            | <b>Ceiling as per the Act</b>   | <b>6000000/-</b>           | <b>6000000/-</b>    | <b>6000000/-</b>   | <b>6000000/-</b> |

**B. Remuneration to the directors:**

NO REMUNERATION / PERQUISITE HAS BEEN PAID TO ANY OF THE DIRECTORS OTHER THAN MANAGING DIRECTOR MR. KAILASH KARNAWAT.

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Ms. Somali Jain (Company Secretary) (Part of the Year) - Rs. 20,000/- (Rs. Twenty Thousand Only).

Ms. Juhi Samra (Company Secretary) (Part of the Year) - Rs. 27,000/- (Rs. Twenty Seven Thousand Only).

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

"NIL" ON COMPANY / DIRECTORS / OTHER OFFICERS.

**14. REPORT ON CORPORATE GOVERNANCE :**

**1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE :**

Our Company has always believed in the concepts of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance the Shareholder's value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

**2. COMPOSITION OF BOARD OF DIRECTORS :**

The Company has a combination of executive and non-executive Directors. The Company has an executive chairman and half of the Board of Directors are independent Directors. The number of non-executive Directors are 50% of total number of Directors.

None of the Directors on the Board is a member of more than 10 committees and chairman of more than 5 committees {as per clause 49 (iv) (B)} across all the Companies in which he is a Director. All the Directors have made requisite disclosures regarding committee positions occupied by them in other Companies. The Company's Board at present have six Directors comprising one Managing Director, Two Promoter Directors and Three non executive Independent Directors. (Mr. L.S. Karnawat and Mr. Lalit Kachhara retired on 30-09-2019)

The Board met 5 times during the year on 30-05-2019, 13-08-2019, 14-11-2019, 27.01.2020 & 13-02-2020. The name and category of Directors on the Board, their attendance at Board Meetings held during the year ended on 31st March, 2020, at the last Annual General Meeting & also, number of Directorships and committee positions as held by them in other Public Limited Companies as on 31-03-2020 are given below :

| Name                  | Category                  | No. of Board Meetings attended out of 5 meetings held during the year 2019-20 | Whether attended AGM held on 30.09.19 | No. of Directorship held in other Public Limited Companies | No. of committee positions held in other Public Limited Companies |        |
|-----------------------|---------------------------|---|---------------------------------------|--|---|--------|
|                       |                           |   |                                       |  | Chairman  | Member |
| Mr. L.S. Karnawat     | Promoter Executive        | 2   | Yes                                   | Nil  | Nil   | Nil    |
| Mr. Kailash Karnawat  | Promoter Executive        | 5   | Yes                                   | Nil  | Nil   | Nil    |
| Mrs. Meena Karnawat   | Promoter Non-Executive    | 5   | Yes                                   | Nil  | N.A.  | N.A.   |
| Mr. Lalit Kachhara    | Independent Non-Executive | 2   | No                                    | Nil  | N.A.  | N.A.   |
| Mr. Upendra Tater     | Independent Non-Executive | 3   | No                                    | Nil  | N.A.  | N.A.   |
| Mr. Ashok Kumar Doshi | Independent Non-Executive | 4   | No                                    | 1  | Nil   | 1      |

**3. COMMITTEES OF THE BOARD :**

**AUDIT COMMITTEE :**

The Company has an Audit Committee with scope of activities as set out in Clause 49 of the Listing Agreement with Stock Exchange read with Section 177 of the Companies Act, 2013. The broad terms for reference of the Audit committee are as under.

- a) To hold periodic discussions with the Statutory Auditor's and Internal Auditor's of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditor's/Internal Auditor's.
- b) To review compliance with internal control system.
- c) To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- d) To make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

# Twenty Sixth Annual Report

The Audit Committee is presently comprised of two Non-Executive Directors viz. Mr. Ashok Kumar Doshi, Mr. Upendra Tater and one Executive Director Mr. Kailash Karnawat as its members. One member Mr. Lalit Kachhara retired during the year under review.

The Committee met four times during the year on the following dates viz May 30, 2019, August 13, 2019, November 14, 2019 and February 13, 2020. Attendance of the members at the meetings is as stated below.

## ATTENDANCE OF THE AUDIT COMMITTEE MEETINGS

| Name of Director                        | Designation     | Number of Meetings Attended |
|---|-----------------|-----------------------------|
| Mr. Lalit Kachhara (Part of the Year)   | Chairman        | Two                         |
| Mr. Kailash Karnawat (Part of the Year) | Member          | Two                         |
| Mr. Upendra Tater                       | Member          | Three                       |
| Mr. Ashok Kumar Doshi                   | Member/Chairman | Four                        |

## NOMINATION & REMUNERATION COMMITTEE :

The composition of the Nomination & Remuneration Committee and the details of meeting attended by the Directors are given below. Nomination & Remuneration Committee met once on May 30, 2019 during F.Y. 2019-20.

| Name of Director      |                                    | No. of Meetings during the period |          |
|-----------------------|------------------------------------|-----------------------------------|----------|
|                       |                                    | Held                              | Attended |
| Mrs. Meena Karnawat   | Promoter Non-executive Director    | One                               | One      |
| Mr. Ashok Kumar Doshi | Independent Non-executive Director | One                               | One      |
| Mr. Upendra Tater     | Independent Non-executive Director | One                               | One      |

Given below are the details of remuneration paid to directors during the financial year 2019-20

| Name                  | Sitting Fees (Rs.) | Salary (Rs.) | Perquisites (Rs.) | Commission paid during the year (Rs.) |
|-----------------------|--------------------|--------------|-------------------|---------------------------------------|
| Mr. L.S. Karnawat     | Nil                | Nil          | Nil               | Nil                                   |
| Mr. Kailash Karnawat  | Nil                | 7,20,000/-   | Nil               | Nil                                   |
| Mrs. Meena Karnawat   | Nil                | Nil          | Nil               | Nil                                   |
| Mr. Lalit Kachhara    | Nil                | Nil          | Nil               | Nil                                   |
| Mr. Upendra Tater     | Nil                | Nil          | Nil               | Nil                                   |
| Mr. Ashok Kumar Doshi | Nil                | Nil          | Nil               | Nil                                   |

The Company pays remuneration to its Managing Director by way of salary and perquisites. Remuneration is paid as approved by the Shareholders. The Board on the recommendation of the Remuneration Committee approves the annual increments. The appointment / re-appointment of Managing Director is contractual and subject to termination by three months notice in writing by either side.

## SHARE HOLDER'S / INVESTOR'S GRIEVANCES COMMITTEE :

The Company has an independent Shareholder's Grievances Committee which comprises of :

| Name of Director                         | Designation | Number of Meetings Attended |
|--|-------------|-----------------------------|
| Mr. Upendra Tater (Part of the Year)     | Chairman    | One                         |
| Mr. Kailash Karnawat (MD)                | Member      | Two                         |
| Mr. L.S. Karnawat (Part of the Year)     | Member      | One                         |
| Mr. Ashok Kumar Doshi (Part of the Year) | Member      | One                         |

One member Mr. L.S. Karnawat was retired during the year under review.

The shareholder's/investor's grievances committee met twice on August 13, 2019 and February 13, 2020 during the year ended on 31st March, 2020. The committee is prompt in attending to requests received for transfer, split, consolidation as well as issue of duplicate certificates well within the stipulated time. Status of complaints received during the year ended on 31-03-2020 is as under.

|  |     |
|--|-----|
| Number of complaints received from investors comprising of non-receipt of Annual Report, Shares sent for transfer and transmission, complaints received from SEBI etc. | 2   |
| Number of complaints resolved.   | 2   |
| Number of complaints pending as on 31-03-2020.   | NIL |



## 4. General Body Meetings :

| Fin. Year | Type | Date             | Venue  | Time       |
|-----------|------|------------------|--|------------|
| 2016-2017 | AGM  | 30th Sept., 2017 | First Floor, 60-D,<br>PanchwatiUdaipur-313 001 | 11.30 A.M. |
| 2017-2018 | AGM  | 30th Sept., 2018 | First Floor, 60-D,<br>PanchwatiUdaipur-313 001 | 11.30 A.M. |
| 2018-2019 | AGM  | 30th Sept., 2019 | First Floor, 60-D,<br>PanchwatiUdaipur-313 001 | 11.30 A.M. |

## 5. Disclosure on materially significant related party transactions :

- (a) During the year, the Company has incurred transactions with related parties. However they were not potentially in conflict with interest of the Company.
- (b) No penalties have been imposed on the Company by Stock Exchange, SEBI or any statutory authority in any matter relating to the capital markets during last three years.

## 6. Means of communication to the shareholders :

Timely disclosure of the performance of the Company is an integral part of good governance. Your Company disseminates information about its performance to Stock Exchange, Media & Shareholders. The Quarterly and Annual Results of the Company are being published in News Papers also, as required under Listing Agreement as well as on Company's Website [www.dhruvacapital.com](http://www.dhruvacapital.com)

**Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011, respectively.**

Your Company proposes to deliver electronically any communication / documents including the Annual Reports and such other necessary communication/documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are requested to please promptly inform their e-mail address to the RTA / Company.

## 7. General Shareholders information :

- a. Next Annual General Meeting :  
**Date - Wednesday, 30.09.2020, Time-11.30 A.M., [Video Conferencing (VC/OAVM)]**
- b. Financial Calendar :

|   |                |
|---|----------------|
| Financial Reporting for the Quarter ending 30th June, 2020        | Mid Aug., 2020 |
| Financial Reporting for the Half Year ending 30th September, 2020 | Mid Nov., 2020 |
| Financial Reporting for the Quarter ending 31st December, 2020    | Mid Feb., 2021 |
| Financial Reporting for the Year ending 31st March, 2021          | End May, 2021  |

- c. Book Closure 23-09-2020 to 30-09-2020 (both days inclusive).
- d. No dividend is proposed to be paid.
- e. Listing on Stock Exchanges :-  
**Shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE Ltd.), Mumbai.**
- f. Registrar & Transfer Agent :-  
M/s Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai - 400059 Tel. No. 022-62638200, Fax : 022-62638299  
e-mail : [info@bigshareonline.com](mailto:info@bigshareonline.com), Website : [www.bigshareonline.com](http://www.bigshareonline.com)
- g. Dematerialisation of shares of the Company :-  
Connectivity of securities of our Company have been activated by National Securities Depository Limited (NSDL) w.e.f. 01-03-2004 and Central Depository Service Ltd. (CDSL) w.e.f. 13-10-2006.  
The ISIN are as mentioned below:-  
NSDL ISIN — INE 972E01014.  
CDSL ISIN — INE 972E01014.

# Twenty Sixth Annual Report

## h. Distribution of Shareholding as on 31.03.2020 :-

| Nominal Share Capital | No. of Shareholders | % of Total Shareholders | Total Equity Shares | % of Paid Up Share Capital |
|-----------------------|---------------------|-------------------------|---------------------|----------------------------|
| Upto 500              | 498                 | 70.7386                 | 113564              | 3.4817                     |
| 501 - 1000            | 102                 | 14.4886                 | 88259               | 2.7059                     |
| 1001 - 2000           | 36                  | 5.1136                  | 5624                | 1.7243                     |
| 2001 - 3000           | 11                  | 1.5625                  | 28437               | 0.8718                     |
| 3001 - 4000           | 9                   | 1.2784                  | 32616               | 1.0000                     |
| 4001 - 5000           | 3                   | 0.4261                  | 13985               | 0.4288                     |
| 5001 - 10000          | 22                  | 3.1250                  | 154556              | 4.7385                     |
| Above 10000           | 23                  | 3.2670                  | 2774043             | 85.0490                    |
| <b>TOTAL</b>          | <b>704</b>          | <b>100</b>              | <b>3261700</b>      | <b>100</b>                 |

## i. Shareholding Pattern as on 31.03.2020 :-

| S.No. | Category                       | Number of Shares Held | % of shareholding |
|-------|--------------------------------|-----------------------|-------------------|
| 1.    | Promoters (Incl. Corp. Bodies) | 2200800               | 67.4740           |
| 2.    | Directors other than promoters | —                     | —                 |
| 3.    | Private Corporate Bodies       | 51003                 | 1.5637            |
| 4.    | Financial Institutions         | 31169                 | 0.9556            |
| 5.    | Clearing Members               | 930                   | 0.0285            |
| 6.    | Indian Public                  | 977798                | 29.9782           |
|       | <b>Total</b>                   | <b>3261700</b>        | <b>100</b>        |

Total Foreign shareholding is NIL.

### 15. CODE OF CONDUCT :

The Company's Board has laid down a code of conduct for all Board members and senior management of the Company. All Board members have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is given at the end of this report. Code of conduct & Whistle Blower Policy have been displayed on Company's website [www.dhruvacapital.com](http://www.dhruvacapital.com).

### 16. EMPLOYEES :

There is no employee earning salary over and above as specified under Sec.197 of the Companies, Act, 2013.

### 17. AUDITOR'S OBSERVATIONS :

The observations in the Auditor's Report are self explanatory and therefore do not call for any further comments.

### 18. ACKNOWLEDGEMENTS :

Your Directors' place on record their grateful thanks and appreciation for the assistance received from the Auditors M/s T. K. BOHARA & CO., Chartered Accountants & Mr. Mohit Vanawat, Company Secretaries in practice, Yes Bank Ltd. & IndusInd Bank Ltd. Your Directors express their gratitude to the shareholders for the confidence reposed in the Company. Your Directors place on record their appreciation and thanks for the sincere efforts and active involvement by the employees of the Company during the year.

For and on behalf of the Board of Directors  
sd/-

MEENA KARNAWAT

Director

DIN: 00301108

sd/-

KAILASH KARNAWAT

Managing Director

DIN: 00300998

Place : Udaipur

Dated : 30th June, 2020

### **: DECLARATION REGARDING CODE OF CONDUCT :**

I, Kailash Karnawat, Managing Director Dhruva Capital Services Ltd., declare that all Board members have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended 31<sup>st</sup> March, 2020.

For and on behalf of the Board of Directors

sd/-

**KAILASH KARNAWAT**

Managing Director

DIN: 00300998

Place : Udaipur

Dated : 30th June, 2020

## INDEPENDENT AUDITOR'S REPORT

To

**The Members of**

DHRUVACAPITAL SERVICES LTD.

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the financial statements of DHRUVA CAPITAL SERVICES LTD. ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the statement of Profit and Loss and 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit/loss and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Information other than the financial statements and auditors' 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 Board's Report including Annexure to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

### **Emphasis of Matter**

We draw attention to Notes to the financial results, as regards the management's evaluation of COVID-19 impact on the preparation and assets of the company. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

# Twenty Sixth Annual Report

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

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

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

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

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and

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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies [Audit and Auditors] Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 22 & 23 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For: **M/S T K BOHARA AND CO.**  
**Chartered Accountants**  
**FRN: 0000798C**  
**Sd/-**  
**CA. MUKESH BOHARA**  
**(PARTNER )**  
**Membership No.401253**

Place:-UDAIPUR

Date:- 30<sup>th</sup> June ,2020

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

The Annexure referred to in Our Report of even date to the members of Dhruva Capital Services Limited on the accounts of the company for the year ended 31st March, 2020

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) The title deed of immovable property under fixed assets is held in the name of Smt. Meena Karnawat as a Director of the Company. The purchaser in the registered purchase deed is mentioned as "Smt. Meena Karnawat W/o Shri Kailash Karnawat, Director Dhruva Capital Services Ltd., 003 A, 'Circle View', 169, New Fatehpura, Sukhadia Circle, Udaipur (Raj.).
2. As explained to us, the company is a NBFC and does not have any inventory.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. There are two such parties and the amount involved is Rs. 1,48,25,158/- The loans are in the nature of demand loan.
  - (a) Since the loans are in the nature of demand loans, in our opinion, the terms and conditions of the grant of the loans are prima-faciali not prejudicial to the interest of the company.
  - (b) The schedule of principal and interest has not been stipulated and hence we are unable to comment on regularity of repayments or receipts.

# Twenty Sixth Annual Report

- (c) According to the information and explanations given to us, since the nature of loans are demand loans, there are no overdue amount for more than ninety days.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
  5. The Company has not accepted any deposits from the public during the year.
  6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the company.
  - 7.(a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
  8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
  9. Based on our audit procedures and on the information given by the management, the company has applied the term loans for the purpose for which they have been obtained.
  10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
  11. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
  12. 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.
  13. According to the information and explanations given to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
  14. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
  15. According to the information and explanations given to us and based on the examination of the records of the Company, 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.
  16. The Company is an Non banking Finance Company already registered under section 45-IA of the Reserve Bank of India Act, 1934.

For: **M/S T K BOHARA AND CO.**  
**Chartered Accountants**  
**FRN: 0000798C**  
**Sd/-**  
**CA. MUKESH BOHARA**  
**(PARTNER)**  
**Membership No.401253**

Place:-UDAIPUR

Date:- 30<sup>th</sup> June, 2020

## **ANNEXURE 'B' TO THE AUDITORS' REPORT**

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 Dhruva Capital Services Ltd. ('the Company') as of 31 March, 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 the Company's policies, the safeguard 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 standards of 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems 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 procedure selected depend on the auditors' 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 controls 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 procedure that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention and timely detection of unauthorized 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

# Twenty Sixth Annual Report

not to 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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: **M/S T K BOHARA AND CO.**  
**Chartered Accountants**  
**FRN: 0000798C**  
Sd/-  
**CA. MUKESH BOHARA**  
**(PARTNER )**  
**Membership No.401253**

Place:-UDAIPUR  
Date:- 30<sup>th</sup> June, 2020

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
Dhruva Capital Services Ltd.,  
Udaipur (Raj.)

We have examined the compliance of conditions of Corporate Governance by M/s Dhruva Capital Services Ltd. for the year ended on 31.03.2020, as stipulated in Regulation 27 of LODR [(earlier Clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange (BSE Ltd.)]. The Compliance of the conditions of the Corporate Governance is the responsibility of the Company's management.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 27 of LODR [(earlier Clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange (BSE Ltd.)].

As required by the guidance Note on certification of Corporate Governance issued by the Chartered Accountants of India, we have to state that, as per the records maintained by the Company as on 31.03.2020, there were no investor grievance matters against the Company remaining unattended / pending for more than 30 days. We further state that such compliance neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For: **M/S T K BOHARA AND CO.**  
**Chartered Accountants**  
**FRN: 0000798C**  
Sd/-  
**CA. MUKESH BOHARA**  
**(PARTNER)**  
**Membership No.401253**

Place:-UDAIPUR  
Date:- 30<sup>th</sup> June, 2020



# DHRUVA CAPITAL SERVICES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2020

| PARTICULARS  | NOTE<br>NO. | As at 31-03-2020<br>Rs.   | As at 31-03-2019<br>Rs.   |
|--|-------------|---------------------------|---------------------------|
| <b>I. EQUITY AND LIABILITIES :</b>   |             |                           |                           |
| <b>(1) Shareholder's Funds :</b>   |             |                           |                           |
| (a) Share Capital  | 2           | 32617000.00               | 32617000.00               |
| (b) Reserves & Surplus   | 3           | 12575366.13               | 12277144.09               |
| (c) Money received against Share Warrants  |             | 0.00                      | 0.00                      |
| (2) Share Application Money Pending allotment                                    |             | 0.00                      | 0.00                      |
| <b>(3) Non-Current Liabilities:</b>  |             |                           |                           |
| (a) Long-Term Borrowing  | 4           | 319488.00                 | 319488.00                 |
| (b) Deferred Tax Liabilities (Net)   | 5           | 232825.00                 | 293444.00                 |
| (c) Other Long Term Liabilities  |             | 0.00                      | 0.00                      |
| (d) Long-Term Provisions   | 6           | 2075014.00                | 2195014.00                |
| <b>(4) Current Liabilities :</b>   |             |                           |                           |
| (a) Short-Term Borrowing   | 7           | 30000.00                  | 0.00                      |
| (b) Trade Payables   | 8           |                           |                           |
| (i) Total Outstanding of<br>Micro & Small Enterprises                            |             | 0.00                      | 0.00                      |
| (ii) Total Outstanding dues of creditors<br>other than Micro & Small Enterprises |             | 567250.00                 | 482485.00                 |
| (c) Other Current Liabilities  | 9           | 4317.46                   | 15000.00                  |
| (d) Short-Term Provisions  | 10          | 128405.00                 | 142983.00                 |
| <b>TOTAL</b>   |             | <b><u>48549665.59</u></b> | <b><u>48342558.09</u></b> |
| <b>ASSETS :</b>  |             |                           |                           |
| <b>(1) Non-Current Assets :</b>  |             |                           |                           |
| <b>(a) Fixed Assets</b>  |             |                           |                           |
| (i) Tangible Assets  | 11          | 1427888.00                | 1855712.00                |
| (ii) Intangible Assets   |             | 0.00                      | 0.00                      |
| (iii) Capital Work-in-Progress   |             | 0.00                      | 0.00                      |
| (iv) Intangible Assets under development   |             | 0.00                      | 0.00                      |
| (b) Non-Current Investments  | 12          | 24682577.90               | 24682577.90               |
| (c) Deferred Tax Assets (Net)  |             | 0.00                      | 0.00                      |
| (d) Long Term Loans & Advances   | 13          | 2042725.00                | 2162725.00                |
| (e) Other Non-Current Assets   |             | 0.00                      | 0.00                      |
| <b>(2) Current Assets :</b>  |             |                           |                           |
| (a) Current Investments  |             | 0.00                      | 0.00                      |
| (b) Inventories  |             | 0.00                      | 0.00                      |
| (c) Trade Receivables  |             | 0.00                      | 0.00                      |
| (d) Cash and Cash Equivalents  | 14          | 151823.20                 | 99180.70                  |
| (e) Short-Term Loans & Advances  | 15          | 19941858.49               | 19542362.49               |
| (f) Other Current Assets   | 16          | 302793.00                 | 0.00                      |
| <b>TOTAL</b>   |             | <b><u>48549665.59</u></b> | <b><u>48342558.09</u></b> |

**Significant Accounting Policies**

1

The notes referred above form an integral part of the Balance Sheet.

In terms of our report of even date.

For **T. K. BOHARA & CO.**

Chartered Accountants

(FRN : 000798C)

Sd/-

**(CA MUKESH BOHARA)**

Partner

(M.No. : 401253)

Place : Udaipur (Raj.)

Dated : 30th June, 2020

For and on behalf of the Board of Directors

Sd/-

**(MEENA KARNAWAT) (KAILASH KARNAWAT)**

Director

DIN: 00301108

Sd/-

Managing Director

DIN: 00300998

# Twenty Sixth Annual Report

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

| PARTICULARS  | NOTE<br>NO. | CURRENT YEAR      | PREVIOUS YEAR     |
|--|-------------|-------------------|-------------------|
|  |             | Rs.               | Rs.               |
| 1. Revenue from Operations   | 17          | 1882310.50        | 1948136.00        |
| 2. Other Income  | 18          | 366423.00         | 341634.00         |
| 3. Total Revenue (I+II)  |             | <u>2248733.50</u> | <u>2289770.00</u> |
| 4. Expenses  |             |                   |                   |
| Cost of Material Consumed  |             | 0.00              | 0.00              |
| Purchases of Stock-in-Trade  |             | 0.00              | 0.00              |
| Changes in inventories of Finished Goods,<br>Work-in-Progress and Stock in Trade |             | 0.00              | 0.00              |
| Employee Benefits Expenses   | 19          | 924000.00         | 996000.00         |
| Finance Costs  | 20          | 0.00              | 2685.17           |
| Depreciation and Amortization Exp.   | 11          | 427824.00         | 427824.00         |
| Other Expenses   | 21          | 560901.46         | 554714.00         |
|  |             | <u>1912725.46</u> | <u>1981223.17</u> |
| 5. Profit before Exceptional Items, Extraordinary<br>Items and Tax (III-IV)      |             | 336008.04         | 308546.83         |
| 6. Exceptional Items   |             | 0.00              | 0.00              |
| 7. Profit before Extraordinary Items and Tax (V-VI)                              |             | 336008.04         | 308546.83         |
| 8. Extraordinary Items   |             | 0.00              | 0.00              |
| 9. Profit before Tax (VI-VIII)   |             | 336008.04         | 308546.83         |
| 10. Tax Expenses   |             |                   |                   |
| (i) Current Tax  |             | 98405.00          | 117983.00         |
| (ii) Prior Period Tax  |             | 0.00              | 0.00              |
| (iii) Deferred Tax   |             | -60619.00         | -51901.00         |
| 11. Profit/(Loss) for the Period fr. Cont. Op. (VII-VIII)                        |             | 298222.04         | 242464.83         |
| 12. Profit/(Loss) from Discontinuing Operations                                  |             | 0.00              | 0.00              |
| 13. Tax Expenses of Discontinuing Operations                                     |             | 0.00              | 0.00              |
| 14. Profit/(Loss) from Discontinuing Operations<br>After Tax (XI-XIV)            |             | 0.00              | 0.00              |
| 15. Profit (Loss) for the Period (XI-XIV)  |             | 298222.04         | 242464.83         |
| 16. Earning per Equity Share   |             |                   |                   |
| (I) Basic  |             | 0.09              | 0.07              |
| (ii) Diluted   |             | 0.09              | 0.07              |

### Significant Accounting Policies

1

The notes referred above form an integral part of the P & L A/c.

In terms of our report of even date.

For **T. K. BOHARA & CO.**

Chartered Accountants

(FRN : 000798C)

Sd/-

**(CA MUKESH BOHARA)**

Partner

(M.No. : 401253)

Place : Udaipur (Raj.)

Dated : 30th June, 2020

For and on behalf of the Board of Directors

Sd/-

**(MEENA KARNAWAT) (KAILASH KARNAWAT)**

Director

DIN: 00301108

Sd/-

Managing Director

DIN: 00300998

# DHRUVA CAPITAL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

| PARTICULARS  | As at 31-03-2020<br>Rs. | As at 31-03-2019<br>Rs. |
|--|-------------------------|-------------------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>       |                         |                         |
| Net Profit (After Tax) as per Profit & Loss A/c        | 298222.04               | 242464.83               |
| <b>Adjustments for :-</b>                              |                         |                         |
| Depreciation   | 427824.00               | 427824.00               |
| Deferred Tax   | (60619.00)              | (51901.00)              |
| Dividend Income  | (70381.50)              | (54390.00)              |
| Interest on FDR  | (0.00)                  | (0.00)                  |
| <b>Operating Profit before working capital changes</b> | <b>595045.54</b>        | <b>563997.83</b>        |
| <b>Adjustments for :-</b>                              |                         |                         |
| Trade receivables                                      | 0.00                    | 0.00                    |
| Loans & Advances                                       | (399496.00)             | (554494.00)             |
| Trade Payables   | 84765.00                | 225183.00               |
| Short Term Borrowings                                  | 30000.00                | 0.00                    |
| Other Current Liabilities                              | (10682.54)              | (506.00)                |
| Provisions   | (134578.00)             | (137650.00)             |
| Other Current Assets                                   | (302793.00)             | 0.00                    |
| <b>Net Cash from Operating Activities (A)</b>          | <b>(137739.00)</b>      | <b>96530.83</b>         |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>       |                         |                         |
| Interest on FDR  | 0.00                    | 0.00                    |
| Dividend Income  | 70381.50                | 54390.00                |
| Purchase / Sale of Fixed Assets / Leased Assets        | 0.00                    | 0.00                    |
| Investments in FDR                                     | 0.00                    | 0.00                    |
| Investments in Real Estate                             | 0.00                    | (56370.00)              |
| <b>Net Cash from Investing Activities (B)</b>          | <b>70381.50</b>         | <b>(1980.00)</b>        |

# Twenty Sixth Annual Report

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

| PARTICULARS  | As at 31-03-2020<br>Rs. | As at 31-03-2019<br>Rs. |
|--|-------------------------|-------------------------|
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>           |                         |                         |
| Long Term Borrowings                                       | 0.00                    | (165682.83)             |
| Long Term Loans & Advances                                 | 120000.00               | 68308.00                |
| <b>Net Cash from Financing Activities (C)</b>              | <b>120000.00</b>        | <b>(97374.83)</b>       |
| <b>Net increase in cash &amp; cash equivalents (A+B+C)</b> | <b>52642.50</b>         | <b>(2824.00)</b>        |
| <b>Opening Balance of Cash &amp; Cash Equivalents</b>      | <b>99180.70</b>         | <b>102004.70</b>        |
| <b>Closing Balance of Cash &amp; Cash Equivalents</b>      | <b>151823.20</b>        | <b>99180.70</b>         |

Note : Figures in bracket represents cash outflow.

For and on behalf of the Board of Directors

Place : Udaipur  
Dated : 30th June, 2020

sd/-  
**(MEENA KARNAWAT)**  
Director  
DIN: 00301108

sd/-  
**(KAILASH KARNAWAT)**  
Managing Director  
DIN: 00300998

## AUDITOR'S CERTIFICATE

To,  
The Board of Directors,  
Dhruva Capital Services Ltd.,  
UDAIPUR (Raj.)

We have examined the cash flow statement of **DHRUVA CAPITAL SERVICES LIMITED** for the year ended 31st March, 2020. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the Listing Agreement with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th June, 2020 to the members of the Company.

For **T. K. BOHARA & CO.**  
Chartered Accountants  
(FRN : 000798C)

Place : Udaipur  
Dated : 30th June, 2020

Sd/-  
**(CA MUKESH BOHARA)**  
Partner  
(M.No. : 401253)

## NOTES TO THE FINANCIAL STATEMENTS

### (1) SIGNIFICANT ACCOUNTING POLICIES :

- (i). (a) The Financial accounts unless otherwise stated are prepared at historical cost under accrual method of accounting.
- (b) The accounting policies unless otherwise separately stated are in conformity with generally accepted accounting principles & Accounting Standards as issued by ICAI.
- (ii). REVENUE RECOGNITION :
- (a) Income of Non performing assets has been recognised as and when received (as per prudential norms of RBI).
- (b) Income from dividend is recognised on cash basis.
- (c) Lease rental received (if any) is accounted as income and is not bifurcated in interest income and principal amount repayment as required by Accounting Standards - 19 "Accounting for Lease" of ICAI in respect of Financial Lease as none of the lease agreement have been entered on or after 1.4.2001 when the said Accounting Standard became applicable.
- (iii). INVESTMENT :
- Investment is classified into current investment & long term investment.
- Long term investments are valued at cost and provision will be made for permanent diminution in value of such investment.
- Current investments are valued scrip wise at cost or market price whichever is lower.
- (iv). FIXED ASSETS AND DEPRECIATION :
- (a) Fixed assets are stated at cost (including capitalised interest, if any) less depreciation.
- (b) Depreciation on owned assets is provided on Straight Line method at the rate prescribed in Schedule II of Companies Act, 2013.
- (c) All assets given on finance lease, on or before 31st March, 2001 are capitalised as fixed assets & depreciation on leases assets is provided on flat rates spread over the lease period as per the lease agreement or at the rate prescribed under Schedule II of Companies Act, 2013 whichever is higher.
- (d) Depreciation on additions made is provided on pro rata basis from the date of their use.
- (v). PROVISION AGAINST LOANS AND OTHER CREDIT FACILITIES :
- Provision on Non Performing Assets has been provided as per the prudential norms issued by the RBI.
- (vi). RETIREMENT BENEFITS :
- The provision of gratuity are not applicable to the Company.
- (vii). PRIOR PERIOD ADJUSTMENT :
- Prior period expenses / income (if any) are shown separately in the Profit & Loss A/c.
- (viii) TAXES ON INCOME :
- Current tax is determined in accordance with the provisions of the Income Tax Act 1961, as the amount of tax payable in respect of taxable income for the year.
- Deferred tax is recognized for all timing differences. Deferred tax assets are carried forward to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet.

# Twenty Sixth Annual Report

## NOTES TO THE FINANCIAL STATEMENTS

| PARTICULARS | As at 31-03-2020 | As at 31-03-2019 |
|-------------|------------------|------------------|
|             | Rs.              | Rs.              |

### 2. SHARE CAPITAL :

#### AUTHORISED CAPITAL

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| 3500000 Equity Shares of Rs.10/- each | <u>35000000.00</u> | <u>35000000.00</u> |
| TOTAL :                               | <u>35000000.00</u> | <u>35000000.00</u> |

#### ISSUED CAPITAL

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| 3261700 Equity Shares of Rs.10/- each | <u>32617000.00</u> | <u>32617000.00</u> |
| TOTAL :                               | <u>32617000.00</u> | <u>32617000.00</u> |

#### SUBSCRIBED AND PAID UP CAPITAL

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| 3261700 Equity Shares of Rs.10/- each | <u>32617000.00</u> | <u>32617000.00</u> |
| TOTAL :                               | <u>32617000.00</u> | <u>32617000.00</u> |

### DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL EQUITY SHARE CAPITAL OF THE COMPANY

| S. No. | NAME OF SHAREHOLDER            | As at 31.03.2020 |        | As at 31.03.2019 |        |
|--------|--------------------------------|------------------|--------|------------------|--------|
|        |                                | No. of Shares    | % HELD | No. of Shares    | % HELD |
| 1.     | MEENA KARNAWAT                 | 651800           | 19.98% | 651800           | 19.98% |
| 2.     | NAKUL BUILDERS & DEV. P. LTD.  | 644500           | 19.76% | 644500           | 19.76% |
| 3.     | KAILASH KARNAWAT               | 576200           | 17.67% | 576200           | 17.67% |
| 4.     | KARNAWAT HIRE PURCHASE P. LTD. | 198300           | 6.08%  | 198300           | 6.08%  |
| 5.     | NAKUL KARNAWAT                 | 200800           | 6.16%  | 200800           | 6.16%  |

### 3. RESERVES & SURPLUS :

|  |                    |                   |
|--|--------------------|-------------------|
| Balance as per last Balance Sheet          | 9910969.22         | 9716997.36        |
| Add : Profit/Loss of the year              | 298222.04          | 242464.83         |
| Less : Transferred to special reserve fund | 59644.41           | 48492.97          |
| Less : Adjustments                         | 0.00               | 0.00              |
| TOTAL (A) :                                | <u>10149546.86</u> | <u>9910969.22</u> |

#### *SPECIAL RESERVE FUND Transferred from Reserves & Surplus (u/s 45 IC of RBI Act, 1934) [@20% of Net Profit]*

|                                   |                    |                    |
|-----------------------------------|--------------------|--------------------|
| Balance as per Last Balance Sheet | 2366174.87         | 2317681.90         |
| For corresponding Financial Year  | 59644.41           | 48492.97           |
| TOTAL (B) :                       | <u>2425819.27</u>  | <u>2366174.87</u>  |
| GRAND TOTAL (A+B) :               | <u>12575366.13</u> | <u>12277144.09</u> |

### 4. LONG TERM BORROWINGS :

|   |                  |                  |
|---|------------------|------------------|
| Margin Money on A/c of Lease/H.P. Assets      | <u>319488.00</u> | <u>319488.00</u> |
| TOTAL (A) :                                   | <u>319488.00</u> | <u>319488.00</u> |
| BMW Financial Services Pvt. Ltd. : (Car Loan) | 0.00             | 0.00             |
| TOTAL (B) :                                   | <u>0.00</u>      | <u>0.00</u>      |
| GRAND TOTAL (A+B) :                           | <u>319488.00</u> | <u>319488.00</u> |

# DHRUVA CAPITAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

| PARTICULARS   | As at 31-03-2020<br>Rs. | As at 31-03-2019<br>Rs. |
|---|-------------------------|-------------------------|
| <b>5 DEFERRED TAX LIABILITIES (NET) :</b>   |                         |                         |
| Op. Balance   | 293444.00               | 345345.00               |
| Add : Transferred from Profit and Loss Account  | -60619.00               | -51901.00               |
| TOTAL :   | <u>232825.00</u>        | <u>293444.00</u>        |
| <b>6. LONG TERM PROVISIONS :</b>  |                         |                         |
| Provision for NPA (Liability)   | 2029725.00              | 2149725.00              |
| Continent Provision Against Standard Assets   | 45289.00                | 45289.00                |
| TOTAL :   | <u>2075014.00</u>       | <u>2195014.00</u>       |
| <b>7. SHORT TERM BORROWINGS :</b>   |                         |                         |
| Unsecured Loans from Body Corporates (Repayable on Demand) (taken from Related Parties) |                         |                         |
| Kailash Karnawat  | 30000.00                | 0.00                    |
| TOTAL (A) :   | <u>30000.00</u>         | <u>0.00</u>             |
| <b>8. TRADE PAYABLES :</b>  |                         |                         |
| (A) Total Outstanding dues of micro & small enterptises                                 | 0.00                    | 0.00                    |
| (B) Total Outstanding dues of creditors other than micro & small enterprises            |                         |                         |
| Salary Payable  | 38000.00                | 23000.00                |
| Outstanding Expenses  | 0.00                    | 0.00                    |
| Big Share Services Pvt. Ltd.  | 20650.00                | 5310.00                 |
| Kailash Karnawat (MD) Salary  | 455000.00               | 395000.00               |
| Novergy Energy Solution Pvt. Ltd.   | 40000.00                | 40000.00                |
| Equifax   | 0.00                    | 5900.00                 |
| Experion Credit Information Company   | 5900.00                 | 13275.00                |
| Mohit Vanawat   | 5100.00                 | 0.00                    |
| Sapna Associates  | 700.00                  | 0.00                    |
| Shrishti Ad.  | 1500.00                 | 0.00                    |
| Unique Printing Press   | 400.00                  | 0.00                    |
| TOTAL (B) :   | <u>567250.00</u>        | <u>482485.00</u>        |
| <b>9 OTHER CURRENT LIABILITIES : Sundry Creditors</b>                                   |                         |                         |
| For Capital Goods   | 0.00                    | 0.00                    |
| For Others  |                         |                         |
| TDS Payable   | 15000.00                | 15000.00                |
| (DUES TO SMALL SCALE INDUSTRIES -NIL)   |                         |                         |
| GST Payable   | -10682.54               | 0.00                    |
| TOTAL (C) :   | <u>4317.46</u>          | <u>15000.00</u>         |
| <b>10. SHORT TERM PROVISIONS :</b>  |                         |                         |
| Provision for Audit Fees  | 30000.00                | 25000.00                |
| Provision for Income Tax  | 98405.00                | 117983.00               |
| TOTAL   | <u>128405.00</u>        | <u>142983.00</u>        |
| GRAND TOTAL (A to D) :  | <u><u>729972.46</u></u> | <u><u>640468.00</u></u> |

## NOTES TO THE FINANCIAL STATEMENTS

### 11. FIXED ASSETS : (Amount in Rs.)

| OWNED ASSETS               |                       |                            |                 |                       |                   |                  |                 |             |                   |                   |                   |
|----------------------------|-----------------------|----------------------------|-----------------|-----------------------|-------------------|------------------|-----------------|-------------|-------------------|-------------------|-------------------|
| DESCRIPTION                | GROSS BLOCK           |                            |                 |                       | DEPRECIATION      |                  |                 |             | NET BLOCK         |                   |                   |
|                            | Cost As at 01-04-2019 | Addition During the Period | Sales/ Transfer | Cost as at 31-03-2020 | As at 01-04-2019  | For the year     | Sales/ Transfer | Adjustment  | As at 31-03-2020  | As at 31-03-2020  | As at 31-03-2019  |
| 1. Premises                | 1185944.00            | 0.00                       | 0.00            | 1185944.00            | 465347.00         | 20016.00         |                 | —           | 485363.00         | 700581.00         | 720597.00         |
| 2. Vehicles                | 3164531.00            | 0.00                       | 0.00            | 3164531.00            | 2348906.00        | 407808.00        |                 |             | 2756714.00        | 407817.00         | 815623.00         |
| 3. Office Equipments       | 210029.00             | 0.00                       | 0.00            | 210029.00             | 210028.00         | 0.00             |                 | 0.00        | 210028.00         | 1.00              | 1.00              |
| <b>Total (A) :</b>         | <b>4560504.00</b>     | <b>0.00</b>                | <b>0.00</b>     | <b>4560504.00</b>     | <b>3024281.00</b> | <b>427824.00</b> | <b>0.00</b>     | <b>0.00</b> | <b>3452105.00</b> | <b>1108399.00</b> | <b>1536223.00</b> |
| <b>Prev. Yr. Figures :</b> | <b>4560504.00</b>     | <b>0.00</b>                | <b>0.00</b>     | <b>4560504.00</b>     | <b>2596457.00</b> | <b>427824.00</b> | <b>0.00</b>     | <b>0.00</b> | <b>3024281.00</b> | <b>1536223.00</b> | <b>1964047.00</b> |

| LEASED ASSETS            |                       |                            |                 |                       |                   |                  |                 |             |                   |                   |                   |
|--------------------------|-----------------------|----------------------------|-----------------|-----------------------|-------------------|------------------|-----------------|-------------|-------------------|-------------------|-------------------|
| S.No.                    | GROSS BLOCK           |                            |                 |                       | DEPRECIATION      |                  |                 |             | NET BLOCK         |                   |                   |
|                          | Cost As at 01-04-2019 | Addition During the Period | Sales/ Transfer | Cost as at 31-03-2020 | As at 01-04-2019  | For the year     | Sales/ Transfer | Adjustment  | As at 31-03-2020  | As at 31-03-2020  | As at 31-03-2019  |
| 1. Vehicle               | 1426001.00            | —                          | —               | 1426001.00            | 1216512.00        |                  | —               | —           | 1216512.00        | 209489.00         | 209489.00         |
| 2. Plant & Machinery     | 410000.00             | —                          | —               | 410000.00             | 300000.00         | —                | —               | —           | 300000.00         | 110000.00         | 110000.00         |
| <b>Total (B) :</b>       | <b>1836001.00</b>     | <b>0.00</b>                | <b>0.00</b>     | <b>1836001.00</b>     | <b>1516512.00</b> | <b>0.00</b>      | <b>0.00</b>     | <b>0.00</b> | <b>1516512.00</b> | <b>319489.00</b>  | <b>319489.00</b>  |
| <b>Gross Total (A+B)</b> | <b>6396505.00</b>     | <b>0.00</b>                | <b>0.00</b>     | <b>6396505.00</b>     | <b>4540793.00</b> | <b>427824.00</b> | <b>0.00</b>     | <b>0.00</b> | <b>4968617.00</b> | <b>1427888.00</b> | <b>1855712.00</b> |
| <b>Prev. Yr. Figures</b> | <b>6396505.00</b>     | <b>0.00</b>                | <b>0.00</b>     | <b>6396505.00</b>     | <b>4112969.00</b> | <b>427824.00</b> | <b>0.00</b>     | <b>0.00</b> | <b>4540793.00</b> | <b>1855712.00</b> | <b>2283536.00</b> |



# DHRUVA CAPITAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 12 NON - CURRENT INVESTMENTS :

#### (A) INVESTMENT EQUITY INSTRUMENTS QUOTED SHARES (At Cost) : (Amount in Rs.)

| Description                     | Face Value(Rs.) | No. of Shares | Value as at 31-03-2020 | No. of Shares | Value as at 31-03-2019 |
|---------------------------------|-----------------|---------------|------------------------|---------------|------------------------|
| Warner Multimedia Ltd.          | 10.00           | 1200          | 18000.00               | 1200          | 18000.00               |
| Swasti Vinayaka Synthetics Ltd. | 1.00            | 77000         | 147412.77              | 77000         | 147412.77              |
| Carol Inforservices Ltd.        | 10.00           | 250           | 7500.00                | 250           | 7500.00                |
| S.R.F. Ltd.                     | 10.00           | 250           | 5312.50                | 250           | 5312.50                |
| S.R.F. Polymers Ltd.            | 10.00           | 100           | —                      | 100           | —                      |
| Steel Authority of India Ltd.   | 10.00           | 31633         | 272360.13              | 31633         | 272360.13              |
| Reliance Capital & Finance Ltd. | 10.00           | 625           | 64793.75               | 625           | 64793.75               |
| Silverline Technologies Ltd.    | 10.00           | 10            | 18240.00               | 100           | 18240.00               |
| Silverline Animation Ltd.       | 10.00           | 4             | —                      | 4             | —                      |
| Pentamedia Graphics Ltd.        | 10.00           | 1732          | 305644.50              | 1732          | 305644.50              |
| Mahindra & Mahindra Ltd.        | 10.00           | 275           | 46535.50               | 275           | 46535.50               |
| Kopran Ltd.                     | 10.00           | 250           | 23417.50               | 250           | 23417.50               |
| IFCI Ltd.                       | 10.00           | 1250          | 10062.50               | 1250          | 10062.50               |
| GTL Ltd.                        | 10.00           | 1075          | 496574.75              | 1075          | 496574.75              |
| Glaxo Smithkline Pharma Ltd.    | 10.00           | 75            | 34689.00               | 75            | 34689.00               |
| Aptech Ltd.                     | 10.00           | 240           | 52236.00               | 240           | 52236.00               |
| Hexaware Technologies Ltd.      | 10.00           | 160           | 34824.00               | 160           | 34824.00               |
| Madhav Granites Ltd.            | 30.00           | 4500          | 135000.00              | 4500          | 135000.00              |
| GTL Infrastructure Ltd.         | 10.00           | 2216          | 11410.00               | 2216          | 11410.00               |
| <b>TOTAL (A) :</b>              |                 |               | <b>1684012.90</b>      |               | <b>1684012.90</b>      |

(Market Value as on 31.03.2020 is Rs. 2360706/-)

#### (B) INVESTMENT IN UNQUOTED SHARES (At Cost) :

| Name of the Company              | Face Value | No. of Shares | Value as at 31-03-2020 | No. of Shares | Value as at 31-03-2019 |
|----------------------------------|------------|---------------|------------------------|---------------|------------------------|
| Karnawat Hire Purchase Pvt. Ltd. | 10.00      | 497500        | 4975000.00             | 497500        | 4975000.00             |
| <b>TOTAL (B) :</b>               |            |               | <b>4975000.00</b>      |               | <b>4975000.00</b>      |

#### (C) INVESTMENT IN PROPERTIES (REAL ESTATE) :

|   |             |  |                    |  |                    |
|---|-------------|--|--------------------|--|--------------------|
| (i) Agriculture Land (Kaliwas-Nathdwara)  | 818390.00   |  | 818390.00          |  | 818390.00          |
| (ii) Agriculture Land (Navratna -Bhuwana) | 1255210.00  |  | 1255210.00         |  | 1255210.00         |
| (iii) Land Purchase (Navratna II)         | 2335420.00  |  | 2335420.00         |  | 2335420.00         |
| (iv) Land Purchase (Maruwas)              | 234860.00   |  | 234860.00          |  | 234860.00          |
| (v) Land Purchase (Rama)                  | 13379685.00 |  | 13379685.00        |  | 13379685.00        |
| <b>TOTAL (C) :</b>                        |             |  | <b>18023565.00</b> |  | <b>18023565.00</b> |
| <b>GRAND TOTAL (A to C) :</b>             |             |  | <b>24682577.90</b> |  | <b>24682577.90</b> |

# Twenty Sixth Annual Report

## NOTES TO THE FINANCIAL STATEMENTS

| PARTICULARS  | As at 31-03-2020<br>Rs.   | As at 31-03-2019<br>Rs.   |
|--|---------------------------|---------------------------|
| <b>13. LONG TERM LOANS &amp; ADVANCES :</b>        |                           |                           |
| (A) SUNDRY DEBTORS - UNSECURED (CONSIDERED GOOD) : |                           |                           |
| More than Six Months                               | 2029725.00                | 2149725.00                |
| TOTAL (A) :  | <u>2029725.00</u>         | <u>2149725.00</u>         |
| (B) SECURITY DEPOSITS                              | 13000.00                  | 13000.00                  |
| TOTAL (B) :  | <u>13000.00</u>           | <u>13000.00</u>           |
| GRAND TOTAL (A+B) :                                | <u><u>2042725.00</u></u>  | <u><u>2162725.00</u></u>  |
| <b>14. CASH &amp; CASH EQUIVALENTS :</b>           |                           |                           |
| Cash in hand                                       | 107941.16                 | 84781.16                  |
| Balances with Scheduled Banks :-                   |                           |                           |
| In Current Accounts (INDUSIND BANK)                | 33894.04                  | 12300.04                  |
| YES BANK   | 9988.00                   | 2099.50                   |
| TOTAL :  | <u>151823.20</u>          | <u>99180.70</u>           |
| <b>15. SHORT TERM LOANS &amp; ADVANCES :</b>       |                           |                           |
| (1) Secured Advances (Considered Good)             | 19228799.00               | 18549263.00               |
| TOTAL (A) :  | <u>19228799.00</u>        | <u>18549263.00</u>        |
| (2) Unsecured Advances (Considered Good)           | 713059.49                 | 993099.49                 |
| TOTAL (B) :  | <u>713059.49</u>          | <u>993099.49</u>          |
| GRAND TOTAL (A+B) :                                | <u><u>19941858.49</u></u> | <u><u>19542362.49</u></u> |
| <b>16. CURRENT ASSETS :</b>                        |                           |                           |
| TDS rec. F. Yr. 2019-20                            | 202793.00                 | 0.00                      |
| Income Tax advance F. Yr. 19-20                    | 100000.00                 | 0.00                      |
|  | <u>302793.00</u>          | <u>0.00</u>               |
| <b>17. REVENUE FROM OPERATIONS :</b>               |                           |                           |
| Interest on Loans                                  | 1691929.00                | 1825438.00                |
| Provision for NPA written back (recovery)          | 120000.00                 | 68308.00                  |
| Dividend Income                                    | 70381.50                  | 54390.00                  |
| Interest on FDR                                    | 0.00                      | 0.00                      |
| TOTAL :  | <u>1882310.50</u>         | <u>1948136.00</u>         |
| <b>18. OTHER INCOME :</b>                          |                           |                           |
| Office Rent income                                 | 336000.00                 | 272299.00                 |
| Income from sale of grass (RAMA)                   | 19500.00                  | 52850.00                  |
| Interest on Income Tax Refund                      | 10923.00                  | 0.00                      |
| Other Income                                       | 0.00                      | 16485.00                  |
| TOTAL :  | <u>366423.00</u>          | <u>341634.00</u>          |
| <b>19. EMPLOYEE BENEFIT EXPENSES :</b>             |                           |                           |
| Director's Remuneration                            | 720000.00                 | 720000.00                 |
| Salaries & Wages                                   | 204000.00                 | 276000.00                 |
| TOTAL :  | <u>924000.00</u>          | <u>996000.00</u>          |
| <b>20. FINANCE COSTS :</b>                         |                           |                           |
| Interest on Loan                                   | 0.00                      | 2685.17                   |
| TOTAL :  | <u>0.00</u>               | <u>2685.17</u>            |

## NOTES TO THE FINANCIAL STATEMENTS

| PARTICULARS                            | AMOUNT (Rs.)<br>CURRENT YEAR | AMOUNT (Rs.)<br>PREVIOUS YEAR |
|--|------------------------------|-------------------------------|
| <b>21. OTHER EXPENSES :</b>            |                              |                               |
| Audit Fees (including GST)             | 25000.00                     | 20995.00                      |
| Advertisement Expenses                 | 7740.00                      | 6000.00                       |
| Annual Custody Fees                    | 19000.00                     | 22420.00                      |
| Depository Services Expenses           | 37576.00                     | 38194.00                      |
| Legal & Professional Fees              | 10000.00                     | 19500.00                      |
| Listing Fees                           | 300000.00                    | 295000.00                     |
| News Papers & Periodicals Expenses     | 1620.00                      | 1230.00                       |
| Office Expenses                        | 3700.00                      | 7672.00                       |
| Photo Copies Expenses                  | 630.00                       | 450.00                        |
| Postage Expenses                       | 2840.00                      | 12773.00                      |
| Discount & Rebate                      | 0.00                         | 308.00                        |
| Printing & Stationery Expenses         | 8000.00                      | 6500.00                       |
| Repair & Maintenance (Gen.+Society)    | 28521.46                     | 0.00                          |
| ROC Filling Charges                    | 9606.00                      | 6050.00                       |
| Telephone & Mobile Phone Expenses      | 0.00                         | 0.00                          |
| CIC Expenses                           | 30325.00                     | 48675.00                      |
| Vehicle Running & Maintenance Expenses | 76343.00                     | 68947.00                      |
|  | 560901.46                    | 554714.00                     |

**22. PROVISION FOR NPA :**

In accordance with the guidelines issued by the RBI, the provision of NPA for current year is Rs. NIL.

**23.** Margin money on account of Leased & Hire Purchase assets represent difference between the purchase value of leased / hire purchase assets and money advanced as loans.

**24. PAYMENT TO DIRECTORS IS AS UNDER :**

|                            | Current Year | Previous Year |
|----------------------------|--------------|---------------|
| (a) Salary                 | 720000.00    | 720000.00     |
| (b) Director's perquisites | 0.00         | 0.00          |
|                            | 720000.00    | 720000.00     |

**25. Auditors Remuneration :**

|   | Current Year | Previous Year |
|---|--------------|---------------|
| (a) For Audit and Tax Audit                         | 20000.00     | 20995.00      |
| (b) For Taxation Matters and<br>Company Law Matters | 5000.00      | 9000.00       |
| (c) Service Tax (GST)                               | 5000.00      | 0.00          |
|   | 30000.00     | 29995.00      |

## NOTES TO THE FINANCIAL STATEMENTS

26. The company has been granted certificate of Registration as provided in section 451A of the RBI Act 1934 issued on 1-9-1999 but the same is not valid for accepting deposits.
27. No employee is in employment of the Company throughout the financial year for a remuneration which in aggregate exceeded Rs. 60,00,000/-per annum or employed for remuneration which in aggregate exceeded Rs. 5,00,000/- per month, if employed for part of the year.
28. The Company's operations predominantly comprise only of one segment i.e. financial services which include hire purchase, lease, interest on ICD, loans and advances and hence the figures shown are related to only that segment.
29. In view of Nationwide Lockdown announced by the Government of India on 24th March, 2020 to control the spread of COVID-19, Company's operations were temporarily disrupted at Service facilities and other facilities. This resulted in partial deferment of Company's revenue for the Month of March 2020 to the first quarter of financial year 2020-21. The Company has resumed operations in a phased manner from the beginning of May, 2020 as per government directives. There is no significant impact of COVID-19 pandemic on the financial result of F.Y. 2019-20 of the Company. The Company continues to closely monitor the rapidly changing situation.

30. Earning per share :

| (i) BASIC EARNING PER SHARE                       | Current Year | Previous Year |
|---|--------------|---------------|
| Earning per share has been calculated as follows: |              |               |
| Profit / (Loss) after tax                         | 298222.04    | 242464.83     |
| a. Profit / (Loss) available for equity shares    | 298222.04    | 242464.83     |
| b. Computation of weighted equity share           |              |               |
| Opening Balance                                   | 3261700      | 3261700       |
| Adj. of shares issued or existing during the year | NIL          | NIL           |
| Weighted average equity shares                    | 3261700      | 3261700       |
| Earning per share (Basic) (a-s-b)                 | 0.09         | 0.07          |

(ii) DILUTED EARNING PER SHARE

Diluted earning per share is same as Basic Earning per share as the Company does not have any potential equity shares as defined under AS 20 "Earning Per share" issued by ICAI.

31. Related parties disclosures:

1. Relationship:

(a) Key management personal :

- Shri L.S. Karnawat - Chairman (Part of the Year)  
Smt. Meena Karnawat - Director  
Shri Kailash Karnawat - Managing Director

(b) Other related parties where control exists :

- Pathik Hotel & Motel Ltd.  
Karnawat Hire Purchase Pvt. Ltd.  
Circle View Estate Pvt. Ltd.  
Nakul Builders & Developers Pvt. Ltd.  
Vardhman Fincon Pvt. Ltd.  
Karnawat Brothers  
Sampat Automobiles  
Kailash Karnawat & Family (HUF)  
Laxman Singh Karnawat & Sons (HUF)  
Meenkamal Enterprises Pvt. Ltd.

(c) Relatives of key management personnel and their enterprises where transaction have taken place :

- M/s Sampat Automobiles  
M/s Nakul Builders & Developers Pvt. Ltd.

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

# DHRUVA CAPITAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

2. Transaction carried out with related parties in 1 above in ordinary course of business of the Company.

| PARTICULARS                                     | Referred in<br>1 (a) above | Referred in<br>1 (b) above | Referred in<br>1 (c) above | TOTAL       |
|---|----------------------------|----------------------------|----------------------------|-------------|
| <b>Investments :</b>                            |                            |                            |                            |             |
| (a) Purchased during the year                   | —                          | —                          | —                          | —           |
| (b) Sold during the year                        | —                          | —                          | —                          | —           |
| (c) Balance as at 31st March' 19                | —                          | 4975000.00                 | —                          | 4975000.00  |
| <b>Loans &amp; Advances :</b>                   |                            |                            |                            |             |
| (a) Given during the year                       | —                          | —                          | —                          | —           |
| (b) Returned during the year                    | —                          | 872211.00                  | —                          | 872211.00   |
| (c) Taken during the year                       | —                          | 0.00                       | —                          | 0.00        |
| (d) Repaid during the year                      | —                          | 0.00                       | —                          | 0.00        |
| (e) Balance as at 31st March' 19                | —                          | 14825158.00                | —                          | 14825158.00 |
| (f) Interest receivable as at 31-03-2019        | —                          | —                          | —                          | —           |
| <b>Current Liability :</b>                      |                            |                            |                            |             |
| <b>Remuneration Payable / Off. Rent Payable</b> | —                          | 455000.00                  | —                          | 455000.00   |
| <b>Interest Income</b>                          | —                          | 1691929.00                 | —                          | 1691929.00  |
| <b>Interest Expenses</b>                        | —                          | 0.00                       | —                          | 0.00        |
| <b>Expenses on Remuneration / Off. Rent</b>     | 720000.00                  | 0.00                       | —                          | 720000.00   |
| <b>Expenses on House Rent of MD</b>             | —                          | —                          | —                          | ----        |
| <b>Contingent Liability (Guarantee)</b>         | —                          | —                          | —                          | —           |

32. Disclosure as required under Circular No. Ref. DBS. FID. No. C-2/01-02-00/2003- 04, dt.10-07-2003 has not been made.

In terms of our report of even date.

For **T. K. BOHARA & CO.**

Chartered Accountants

(FRN : 000798C)

Sd/-

**(CA MUKESH BOHARA)**

Partner

(M.No. : 401253)

Place : Udaipur (Raj.)

Dated : 30th June, 2020

For and on behalf of the Board of Directors

Sd/-

**(Meena Karanawat)**

Director

DIN: 00301108

Sd/-

**(KAILASH KARNAWAT)**

Managing Director

DIN: 00300998

# Twenty Sixth Annual Report

## SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY

[as required in terms of Para 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

### LIABILITIES SIDE:

(Amount Rs.)

#### Particulars

Amt. Outstanding Amt. Overdue

|     |   |   |   |
|-----|---|---|---|
| (1) | Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid : |   |   |
| (a) | Debentures : Secured  | — | — |
|     | : Unsecured   | — | — |
|     | (other than falling within the meaning of public deposits* )                                |   |   |
| (b) | Deferred Credits  | — | — |
| (c) | Term Loans —  | — | — |
| (d) | Inter-corporate loans and borrowings —  | — | — |
| (e) | Commercial paper —  | — | — |
| (f) | Public Deposits * —   | — | — |
| (g) | Other Loans (specify nature) (From Director / Unsecured)                                    | — | — |
|     | * Please see Note 1 below   |   |   |

### ASSET SIDE :

#### Particulars

Amt. Outstanding

|       |  |             |
|-------|--|-------------|
| (2)   | Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :  |             |
| (a)   | Secured  | 19228799.00 |
| (b)   | Unsecured  | 713059.49   |
| (3)   | Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities. |             |
| (i)   | Leased assets including lease rentals under sundry debtors:  |             |
| (a)   | Financial Lease  | 2029725.00  |
| (b)   | Operating Lease  | —           |
| (ii)  | Stock on hire including hire charges under sundry debtors  |             |
| (a)   | Assets on hire   | 0.00        |
| (b)   | Repossessed Assets   | —           |
| (iii) | Hypothecation loans counting towards EL/HP activities  |             |
| (a)   | Loans where assets have been repossessed.  | —           |
| (b)   | Loans other than (a) above   | —           |
| (4)   | Break-up of Investments:   |             |

| S. No. | Particulars           | Current Investments |          | Long Term Investments |             |
|--------|-----------------------|---------------------|----------|-----------------------|-------------|
|        |                       | Quoted              | Unquoted | Quoted                | Unquoted    |
| (i)    | Shares : (a) Equity   | —                   | —        | 1684012.90            | 4975000.00  |
|        | (b) Preference        | —                   | —        | —                     | —           |
| (ii)   | Debentures and Bonds  | —                   | —        | —                     | —           |
| (iii)  | Units of Mutual Funds | —                   | —        | —                     | —           |
| (iv)   | Government Securities | —                   | —        | —                     | —           |
| (v)    | Others (Real Estate)  | —                   | —        | —                     | 18023565.00 |

# DHRUVA CAPITAL SERVICES LIMITED

- (5) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:  
\*Please See Note 2 below.

| S. No. | Category                        | Amount net of provisions |                  |                    |
|--------|---------------------------------|--------------------------|------------------|--------------------|
|        |                                 | Secured                  | Unsecured        | Total              |
| (1)    | Related Parties **              |                          |                  |                    |
|        | (a) Subsidiaries                | —                        | —                | —                  |
|        | (b) Companies in the same group | 12483946.00              | —                | 12483946.00        |
|        | (c) Other related parties       | 2341212.00               | —                | 2341212.00         |
| (2)    | Other than related parties      | 4403641.00               | 713059.49        | 5116700.49         |
|        | <b>TOTAL</b>                    | <b>19228799.00</b>       | <b>713059.49</b> | <b>19941858.49</b> |

- (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :  
\* Please see Note 3 below.

| S. No. | Category                                 | Market Value/Break up or fair value or NAV | Book Value (Net of Provisions) |
|--------|--|--|--------------------------------|
| 1      | Related Parties**                        |  |                                |
|        | (a) Subsidiaries                         | —  | —                              |
|        | (b) Companies in the same group          | —  | —                              |
|        | (c) Other related parties (Unquoted) *** | 7360600.00                                 | 4975000.00                     |
| 2      | Other than related parties (Quoted)      | 2360706.00                                 | 1684012.90                     |
|        | <b>TOTAL</b>                             | <b>9721306.00</b>                          | <b>6659012.90</b>              |

\*\* As per Accounting Standard of ICAI (Please see Note 3).

\*\*\* As per Audited Balance sheet dated 31-03-2020.

- (7) Other Information :

| S. No. | Particulars                              | Amount Outstanding          |                           |
|--------|--|-----------------------------|---------------------------|
|        |  | Gross Non-Performing Assets | Net Non-Performing Assets |
| 1.     | Related parties                          | —                           | —                         |
| 2.     | Other than related parties               | 2029725.00                  | 2029725.00                |
| 3.     | Assets acquired in satisfaction of debt. | —                           | —                         |

## NOTES :

- As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

# IMPORTANT CORPORATE INFORMATION

## **DHRUVA CAPITAL SERVICES LTD.**

CIN:L67120RJ1994PLC008593

ISIN : INE972E01014

BSE SCRIP CODE : 531237

**Website:www.dhruvacapital.com**

### **: BOARD OF DIRECTORS:**

|                       |                          |
|-----------------------|--------------------------|
| Mr. Kailash Karnawat  | <b>Managing Director</b> |
| Mrs. Meena Karnawat   | <b>Director</b>          |
| Mr. Upendra Tater     | <b>Director</b>          |
| Mr. Ashok Kumar Doshi | <b>Director</b>          |

### **: SHARES LISTED AT :**

**BSE Ltd. (Bombay Stock Exchange), Mumbai**

### **: AUDITORS :**

**T. K. Bohara & Co.**

(Chartered Accountants)

534-535, Lodha Complex, 4th Floor,  
Court Choraha, Udaipur (Raj.)

### **: BANKERS :**

**INDUSIND Bank Ltd.**

Near Lok Kala Mandal, Panchwati Circle, Udaipur (Raj.)

**YES BANK LTD.**

Goverdhan Plaza, Opp. Lok Kala Mandal,  
Panchwati Circle, Udaipur (Raj.)

### **: REGISTERED OFFICE :**

003 - 'A' "Circle View", 169, Fatehpura, Near Sukhadia Circle,  
UDAIPUR - 313 001 (Raj.)

Ph.: 0294-2425555 Fax : 0294-2423150 M: 9414471999

Website : www.dhruvacapital.com

### **: CORPORATE OFFICE :**

First Floor, 60-D, Panchwati, UDAIPUR-313001 (Raj.).

Ph. : 2424907, 2423150 Fax : 0294-2423150 M: 7340683633

E-mail: dhruvacapital@gmail.com

Website : www.dhruvacapital.com

### **: REGISTRAR & TRANSFER AGENT :**

**Bigshare Services Pvt. Ltd.**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments,  
Makwana Road, Marol, Andheri East, Mumbai - 400059

Tel. No. 022-62638200, Fax : 022-62638299

E-mail : info@bigshareonline.com

www.bigshareonline.com