



# CASTLE TRADERS LIMITED

CIN : L51909TN1983PLC045632 GSTIN : 33AABCC8853F1ZR

Regd. Office : 'BHARAT KUMAR BHAVAN', No.617, ANNA SALAI, Chennai - 600 006

Phone : 044 4226 9666 Website : www.castletraders.in E-mail: ~~cs@khivrajgroup.com~~ cs@khivrajmail.com

4<sup>th</sup> September, 2021

Listing & Compliance,  
The Metropolitan Stock Exchange of India Limited,  
Vibgoyor Towers, 4<sup>th</sup> Floor,  
Plot No. C-62, Opp. Trident Hotel,  
Bandra Kurlal Complex,  
Bandra (E), Mumbai - 400098

**Sub: Submission of Annual Report for the year 2020-21 and Notice convening the 38<sup>th</sup> AGM as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

**Ref: Symbol: CASTLE; Series: BE; ISIN: INE262V01014**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we herewith submit the Annual Report of the Company for the year 2020-21 along with the Notice convening the 38<sup>th</sup> Annual General Meeting which is to be held on Wednesday, September 29, 2021 at the Registered Office of the Company at Bharat Kumar Bhavan, No. 617, Anna Salai, Chennai-600006 through Video Conference/Other Audio Visual Means ("VC/OAVM") facility.

Further, we would like to inform that the Company has commenced dispatch of the Notice of AGM and the Annual Report for the year 2020-21 to all its Members.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Castle Traders Limited

  
R. Manoranjan  
Company Secretary





**CASTLE TRADERS LIMITED**

**[CIN: L51909TN1983PLC045632]**

**38<sup>TH</sup> ANNUAL REPORT  
2020-21**

**Regd.Office: No.617,'Bharat Kumar Bhavan', Anna Salai, Chennai – 600 006  
www.castletraders.co.in; E-Mail : cs@khivrajmail.com; Tel: 044 - 4226 9666**

Name	<b>CASTLE TRADERS LIMITED</b>
CIN	L51909TN1983PLC045632
Registered Office	NO.617, 'BHARAT KUMAR BHAVAN', ANNA SALAI, CHENNAI – 600 006. Website: www.castletraders.co.in E-Mail:cs@khivrajmail.com TEL: 044 -4226 9666.
Board of Directors	<b>Mr. BHARAT KUMAR CHORDIA</b> Whole-Time Director  <b>Mr. S. SAMPATHKUMAR</b> (Appointed with effect from 25.09.2020) Non-Executive Director  <b>Mrs. PRASSAN KUMARI CHORDIA</b> Non-Executive Director  <b>Mr. RATNESH KUMAR AGRAWAL</b> (Appointed with effect from 09.11.2020) Non - Executive, Independent Director  <b>Mr. A. ANANDAKUMAR</b> (Appointed with effect from 08.02.2021) Non - Executive, Independent Director
Chief Financial Officer	Mr. L.VIJAY PRASAD
Company Secretary	Mr. R. MANORANJAN
Registrars and Share Transfer Agents	CAMEO CORPORATE SERVICES LIMITED, "SUBRAMANIAN BUILDING" No.1,CLUB HOUSE ROAD, CHENNAI – 600 002. TEL: 044- 2846 0390.
Auditor	S.C AJMERA &CO., CHARTERED ACCOUNTANTS NO.18, TECHNOCRAT HOUSING SOCIETY, MOTI MAGRI SCHEME, UDAIPUR -313 001(RAJ).
Banker	HDFC BANK , ANNA SALAI BRANCH, CHENNAI-600 006
Stock Exchange	THE METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED (MSEI)
ISIN	INE262V01014

## **NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of **Castle Traders Limited (CIN:L51909TN1983PLC045632)** will be held on Wednesday, 29<sup>th</sup> September, 2021 at 3.00 P.M. (IST) through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To consider and adopt the standalone Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with Reports of the Board of Directors and Auditors Report thereon.
2. To consider and adopt the consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with Auditors Report thereon.
3. To appoint a Director in the place of Mrs. Prassan Kumari Chordia (DIN:01955334) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

### **SPECIAL BUSINESS:**

4. **To Consider and Approve Appointment of Mr. Ratnesh Kumar Agrawal (DIN: 08477121) as Independent Director:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Ratnesh Kumar Agrawal (DIN: 08477121) and who has been appointed as an Additional Independent Non-Executive Director of the Company by the Board of Director on 9<sup>th</sup> November, 2020, for a term of Five consecutive years (i.e. upto 8<sup>th</sup> November, 2025) who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company with effect from 9<sup>th</sup> November, 2020, to hold office for a term of Five consecutive years i.e. upto 8<sup>th</sup> November, 2025."

**"RESOLVED FURTHER THAT** Board of Directors/Whole Time Director/Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **To Consider and Approve Appointment of Mr. A. Anandakumar (DIN: 09045884) as Independent Director:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. A. Anandakumar (DIN: 09045884) and who has been appointed as an Additional Independent Non-Executive Director of the Company by the Board of Director on 8<sup>th</sup> February, 2021, for a term of Five consecutive years (i.e. upto 7<sup>th</sup> February, 2026) who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an

Independent Non-Executive Director of the Company with effect from 8<sup>th</sup> February, 2021, to hold office for a term of Five consecutive years i.e. upto 7<sup>th</sup> February, 2026.”

“**RESOLVED FURTHER THAT** Board of Directors/Whole Time Director/ Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**6. Ratification of related party transactions entered into by the company during the financial year 2020-21:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.

“**RESOLVED THAT** pursuant to section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board & its Powers) Rules, 2014, as amended from time to time, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the contracts entered into by the Company with Related Parties all of which are on arm’s length basis and in the ordinary course of business and which are considered as material as the transaction(s) entered into individually or taken together with previous transactions during the financial year 2020-21 exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the company as detailed in the explanatory statement annexed to this notice be and are hereby ratified and approved.”

“**RESOLVED FURTHER THAT** the Board of Directors/Whole Time Director/Company Secretary of the Company be and are hereby authorized severally to settle any question, difficulty or doubt that may arise with regard to giving effect to this Resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion and to finalize any documents and writings related thereto.”

**7. Approval of related party transactions entered/to be entered into by the company during the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2024:**

To consider and, 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 188 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and read with SEBI (LODR) Regulations 2015, and the recommendation and approval of the Audit committee and the Board of directors respectively, the approval of the members be and is hereby accorded for entering into contracts/arrangements/transactions with the Related Parties for sale/purchase/supply of goods and/or services with the below mentioned related parties for exceeding 10% of the turnover of the company for the period of three years with effect from April 01, 2021 to March 31, 2024 as per the information mentioned below.

SI No.	Name of the Related Party	Nature of Transaction	Nature of relationship	Transaction value (Rs. In crore )	Period of Transaction
1	Khivraj Motors Pvt. Ltd.	Sale/ Purchase or supply of goods and / or services	Common Director	30.00	For a period of three years with effect from 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2024
2	Navaratan Property Holdings Pvt. Ltd.			1.00	
3	Khivraj Automobiles and Infrastructure Pvt. Ltd.			5.00	
4	Khivraj Vahan Private Limited		Director and his relatives holdings shares in the Company	10.00	
5	Olympia Tech Park (Chennai) Private Limited			1.00	
6	Alwarpet Properties Private Limited			1.00	

“**RESOLVED FURTHER THAT** the Board of Directors/Whole Time Director/Company Secretary of the Company be and are hereby authorized to do, all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, and execute such addendum contracts/arrangements/transaction documents and writings and make such changes to the terms and conditions of these contracts/ arrangements/ transactions as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental thereto in the best interests of the Company.”

**8. Approval of related party transactions entered/to be entered into by the company during the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2024:**

To consider and, 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 188 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI (LODR) Regulations 2015, and the recommendation and approval of the Audit committee and the Board of directors respectively, the approval of the members be and is hereby accorded for entering into contracts/arrangements/transactions with the Related Parties for sale/otherwise dispose of/purchase of movable and immovable assets/properties/investments with the undermentioned companies/firm for exceeding 10% of the turnover of the company for a period of three years with effect from April 01, 2021 to March 31, 2024 as per the information mentioned below.”

SI No	Name of the Related Party	Nature of Transaction	Nature of relationship	Transaction value (Rs. In crore)	Period of Transaction
1	ABN Motors Private Limited	Sale/ otherwise dispose of/ Purchase of movable/ immovable assets/ properties/ investments	Common Director	1.00	For a period of three years with effect from 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2024
2	Navaratan Property Holdings Pvt. Ltd.			1.00	
3	Khivraj Estates Pvt. Ltd.			1.00	
4	Khivraj & Co.,		Director is a partner	1.00	
5	Olympia Tech Park (Chennai) Private Limited		Director and his relatives holdings shares in the Company	1.00	
6	Alwarpet Properties Private Limited			1.00	

“**RESOLVED FURTHER THAT** the Board of Directors/Whole Time Director/Company Secretary of the Company be and are hereby authorized to do, all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, and execute such addendum contracts/arrangements/transaction documents and writings and make such changes to the terms and conditions of these contracts/arrangements/transactions as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental thereto in the best interests of the Company.”

**9. Approval of related party transactions entered/to be entered into by the company during the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2024:**

To consider and, 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 188 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI (LODR) Regulations 2015, and as per the recommendations and approval of the Audit Committee and the Board of Directors, respectively, the approval of the members be and is hereby accorded for entering into a leasing agreement/arrangement with Khivraj Motors Private Limited for exceeding 10% of the turnover of the company with effect from April 01, 2021 to March 31, 2024 as per the information mentioned below.”

<b>Name of the Related Party</b>	<b>Nature of Transaction</b>	<b>Nature of relationship</b>	<b>Transaction value</b>	<b>Period of Transaction</b>
Khivraj Motors Private Limited	Leasing arrangement	Common Director	30.00 lakhs	For a period of three years with effect from 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2024

“**RESOLVED FURTHER THAT** the Board of Directors/Whole Time Director/Company Secretary of the Company be and are hereby authorized severally to do all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, and execute such addendum contracts/arrangements/transaction documents and writings and make such changes to the terms and conditions of these contracts/arrangements/transactions as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental thereto in the best interests of the Company.”

**Place: Chennai**  
**Date: 29<sup>th</sup> June, 2021**

**By Order of the Board of Directors**  
**Castle Traders Limited**

**Registered Office:**  
**(CIN: L51909TN1983PLC045632)**  
**No.617, Bharat Kumar Bhavan, Anna Salai,**  
**Chennai – 600 006.**  
**Website: [www.castletraders.co.in](http://www.castletraders.co.in)**  
**E-mail: [cs@khivrajmail.com](mailto:cs@khivrajmail.com)**

**R. Manoranjan**  
**Company Secretary**

## IMPORTANT NOTES:

1. Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the items of the Special Business as set out above is annexed hereto.
2. General instructions for accessing and participating in the 38<sup>th</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting are as under.
  - a) In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, respectively and by General Circular No.02/2021 dated 13<sup>th</sup> January 2021, allowed companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 ("MCA Circulars"). The Securities and Exchange Board of India ('SEBI') also issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 the validity of which has been extended till 31<sup>st</sup> December, 2021 by SEBI, vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("SEBI Circulars"). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 38<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 38<sup>th</sup> AGM shall be the Registered Office of the Company.
  - b) In line with the MCA Circulars and SEBI Circular, the Notice of the 38<sup>th</sup> AGM will be available on the website of the Company at [www.castletraders.co.in](http://www.castletraders.co.in) and on the website of the Metropolitan Stock Exchange India Limited (MSEI) at [www.msei.in](http://www.msei.in)
  - c) Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
  - d) Members may join the 38<sup>th</sup> AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 3.30 P.M. i.e. 30 minutes before the time scheduled to start the 38<sup>th</sup> AGM and the Company may close the window for joining the VC/OAVM facility 30 minutes after the scheduled time to start the 38<sup>th</sup> Annual General Meeting.
  - e) Members may note that the VC/OAVM Facility, provided by company, allows participation of at least 20 Members on a first-come-first-served basis. The large shareholders (i.e. 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. can attend the 38<sup>th</sup> Annual General Meeting without any restriction on account of first-come first- served principle.
  - f) Attendance of the Members participating in the 38<sup>th</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  - g) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 38<sup>th</sup> AGM.
3. The instructions for shareholders voting electronically are as under:
  - i) The remote e-voting period begins on 26<sup>th</sup> September, 2021 at 10.00 A.M. and ends on 28<sup>th</sup> September, 2021 at 5.00 P.M. During this period shareholders of the Company, holding shares either



in physical form or in dematerialized form, as on the cut-off date i.e. 22<sup>nd</sup> September, 2021 may cast their votes electronically. The remote 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 since this time as AGM is being conducting through Video conference/Other Audio visual means.

iii) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).

iv) Click on “Shareholders” tab.

v) Now, select the “Company Name” from the drop down menu and click on “Submit”.

vi) Now Enter your User ID.

a) For CDSL: 16 digits beneficiary ID.

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

c) Members 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 – My easi 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.

vii) Next enter the Image Verification as displayed and Click on Login.

viii) 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 voting of any Company, then your existing password is to be used.

ix) If you are a first time user, follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric</p> <p>*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to use Sequence Number sent by Company/RTA.</p>
Dividend Bank Details or Date of Birth (DOB)#	<p>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.</p> <p>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).</p>

x) After entering these details appropriately, click on “SUBMIT” Tab.

xi) Members holding Shares in physical form will then directly reach the Company selection screen. However, members 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.

xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xiii) Click the EVSN for the relevant <Company Name> on which you choose to vote. In this case, it would be Castle Traders Limited.

xiv) 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.

xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xvi) 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.

xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xix) If Demat account holder has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xx) Members can also cast their vote using CDSL's mobile app M-Voting available for android based mobiles. The M-Voting app can be downloaded from Google Play Store, iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xxi) Note for Non-Individual Shareholders and Custodians.

- Non-Individual Shareholders/Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- 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 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.

- xxii) In case you have any queries or issues regarding e-voting, 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 call on 18002005533.
4. The Register of Members and Share Transfer Books of the Company will remain closed from to 23<sup>rd</sup> September, 2021 to 29<sup>th</sup> September, 2021 (both days inclusive).
  5. Members desiring to have any clarification on Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
  6. Members holding Shares in physical form are requested to notify/send the following information by quoting their Folio Number to the Company/Registrar and Share Transfer Agents to facilitate better servicing:-
    - a) Any change in their address/bank account details with Phone Nos., Fax Nos., and E-mail ID, Mobile No etc. for speedy disposal of letters on various issues.
    - b) Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
  7. The Shares of the Company have been activated for Dematerialization with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vide ISIN: INE262V01014. Members are advised to dematerialize their shares with any Depository Participant (DP).
  8. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 38<sup>th</sup> AGM and the Annual Report for the year 2021 including therein the Audited Financial Statements for year 2021, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 38<sup>th</sup> AGM and the Annual Report for the year 2021 and all other communication sent by the Company, from time to time, can get their email address with the Company and or share transfer Agent, M/s. Cameo Corporate Services Limited.
  9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited.
  10. Members may also note that the Notice of the 38th Annual General Meeting and the Annual Report for the year 2020-21 will also be available on the Company’s website [www.castletraders.co.in](http://www.castletraders.co.in) for their download.
  11. Mr. S. Ganesan, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the remote e-Voting process in a fair and transparent manner.
  12. The Scrutinizer shall after the conclusion of e-Voting at the 38<sup>th</sup> AGM, unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer’s report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 hours from the conclusion of the 38<sup>th</sup> AGM.

13. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.castletraders.co.in](http://www.castletraders.co.in) and shall also be immediately forwarded to the Metropolitan Stock Exchange India Limited.

**15. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
- b) Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- c) 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.
- d) 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 at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@khivrajmail.com](mailto:cs@khivrajmail.com) who do not wish to speak during the AGM but have queries may send their queries in advance 3days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@khivrajmail.com](mailto:cs@khivrajmail.com). These queries will be replied to by the company suitably by email.
- e) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- f) The procedure for e-Voting facility on the day of the AGM is not available as the Company is provided the e-voting through CDSL separately.
- g) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM through VC/OAVM facility , However, they will not be eligible to vote at the AGM.
- h) 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 022-23058542/43.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:**

**Item No. 4:**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee on 9<sup>th</sup> November, 2020 appointed Mr. Ratnesh Kumar Agrawal (DIN: 08477121), as an Additional Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of Five consecutive years to hold office from 9<sup>th</sup> November, 2020 to 8<sup>th</sup> November, 2025. His appointment is subject to the approval of the Members.

A notice has been received from a Member proposing Mr. Ratnesh Kumar Agrawal (DIN: 08477121) as a candidate for the office of Director of the Company.

Mr. Ratnesh Kumar Agrawal, aged about 63 years, holds Master Degree in Commerce from the University of Rajasthan, Jaipur, He has over 35 years of rich work experience in Senior Management level in various Companies such as Automobiles, Retail and Real Estate Sector. His qualification and experience are also detailed under the heading "Information about the Directors to be appointed/re-appointed" which forms part of this Notice.

He shall be paid sitting fees for attending the Meetings of the Board and Committees if any thereof. He does not hold by himself or for any other person on a beneficial basis, any Shares in the Company.

Mr. Ratnesh Kumar Agrawal has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and of the Listing Regulations.

In the opinion of the Board, Mr. Ratnesh Kumar Agrawal fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. The Board recommends passing of this Resolution represents his appointment as set out at item No.4 of the Notice convening the Meeting.

**Item No. 5:**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee on 8<sup>th</sup> February, 2021 appointed Mr. A. Anandakumar (DIN: 09045884), as an Additional Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of Five consecutive years to hold office from 8<sup>th</sup> February, 2021 to 7<sup>th</sup> February, 2026. His appointment is subject to the approval of the Members.

A notice has been received from a Member proposing Mr. A. Anandakumar (DIN: 09045884) as a candidate for the office of Director of the Company.

Mr. A. Anandakumar, aged about 48 years, is a qualified Cost Accountant apart from a Commerce Graduate from the University of Madras. He has over 25 years of rich experience in the areas of Financial Accounting, Indirect Taxation, Tax Planning Strategy, Audit and Inspection and Commercial operations. He worked in various capacities in various Organizations such as Automobiles, Retail sector. His qualification and experience are also detailed under the heading "Information about the Directors to be appointed/re-appointed" which forms part of this Notice.

He shall be paid sitting fees for attending the Meetings of the Board and Committees if any thereof. He does not hold by himself or for any other person on a beneficial basis, any Shares in the Company.

Mr. A. Anandakumar (DIN: 09045884) has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and of Listing Regulations.

In the opinion of the Board, Mr. A. Anandakumar (DIN: 09045884) fulfills the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and of the Listing Regulations for his appointment as an Independent Non- Executive Director of the Company and is independent of the management.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. The Board recommends passing of this Resolution represents his appointment as set out at item No.5 of the Notice convening the Meeting.

**Item No. 6:**

The Company had accorded approval of shareholders for transactions with Related Parties with Khivraj Motors Private Limited and Khivraj Vahan Private Limited for Sale/Purchase or supply of goods and/or services not exceeding Rs.1.00 crore each for the period of three years with effect from July 2017 at the AGM held on 5th July, 2017. However, during FY 2020-21 the Company has crossed the limit of Rs.1.00 crore and reached the transaction amount approximately of Rs.6.00 crore with Khivraj Motors Private Limited and Rs.2.11 crore with Khivraj Vahan Private Limited respectively. All such transactions were in the Ordinary course of business and at Arm's Length price.

The Audit Committee and the Board of Directors of the Company have considered these Contracts/Arrangement and limits at their respective meetings and ratified and approved the Contracts/Arrangements with the Related Party(ies) and have also decided to seek ratification and approval of Shareholders for the exceeding amount pursuant to Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The Board of Directors of the Company recommends the Resolution as set out at Item No.6 in the accompanying Notice for ratification and approval of the members.

None of the Directors and the Key Managerial Personnel of the Company and their relatives except Mr. Bharat Kumar Chordia and Mrs. Prassan Kumari Chordia is concerned or interested, financially or otherwise, in the said Resolution at Item No.6 of the Notice.

**Item No. 7, 8 and 9:**

The company may enter into contract/agreement/arrangement with all or any of the said related parties as mentioned in resolution over a period of three years with effect from 1st April, 2021 to 31st March, 2024 for sale/purchase/supply of goods and services and Sale/otherwise dispose of/Purchase of movable/immovable assets / properties / investments and Leasing arrangement with related parties.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 including any modification or amendment thereof, (hereinafter referred to as "SEBI Regulation 2015") all material related party transactions shall require approval of the Shareholders through resolutions.

The compliance with the corporate governance provisions as specified in Regulation 23 of SEBI (LODR) Regulations 2015 are not applicable to the company as the company does not meet the criteria under Regulation 23 of SEBI (LODR) Regulation, 2015. However, as an abundant caution the Company is seeking shareholders' approval on prospective material related party transactions.

As per explanation to Regulation 23(1) of "SEBI Regulation 2015", a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the listed entity.

All such transactions were on an arm's length basis and in the ordinary course of business. Hence, it is proposed to secure shareholders' approval on resolution No.7, 8 and 9 of the Notice convening the Annual General Meeting for approving the prospective material related party transactions for the period commencing from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2024.

The above information shall be considered as additional information required to be disclosed pursuant to Rule 15 of Companies (Meeting of Board and its power) Rules, 2014. According to the provisions of Regulation 23(4) of SEBI Regulation, 2015 related parties shall abstain from voting on this Resolution.

None of the Directors and Key Managerial Personnel & their relatives except Mr. Bharat Kumar Chordia and Mrs. Prassan Kumari Chordia are concerned or interested in the resolution mentioned at Item No.7, 8 and 9 of the notice.

**Details of Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015):**

<b>Particulars</b>	<b>Mr. A. Anandakumar</b>	<b>Mr. Ratnesh Kumar Agrawal</b>
DIN	09045884	08477121
Date of First Appointment and Qualification	08/02/2021	09/11/2020
Date of Birth	30/10/1972	05/12/1957
Expertise in specific functional areas	Over 25 years of rich experience in the areas of Financial Accounting, Indirect Taxation, Tax Planning Strategy, Audit and Inspection & Commercial operations.	Over 35 years of rich work experience in Automobiles, Retail and Real Estate Sector
Directorships held in other Public/private Companies (excluding foreign Companies and Section 8 companies)	Nil	Nil
Committee / Executive position held in other companies	Nil	Nil
Number of shares held in the Company	Nil	Nil
Relationship with other Directors	He is not related to any other Directors	He is not related to any other Directors

For other details such as the number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Directors Report and MGT-9 which is a part of this Annual Report.

**Place: Chennai**  
**Date: 29th June, 2021**

**By Order of the Board of Directors**  
**Castle Traders Limited**

**Registered Office:**  
**(CIN: L51909TN1983PLC045632)**  
**No.617, Bharat Kumar Bhavan, Anna Salai,**  
**Chennai – 600 006.**  
**Website: www.castletraders.co.in**  
**E-mail:cs@khivrajmail.com**

**R. Manoranjan**  
**Company Secretary**

## BOARD'S REPORT

### 38<sup>th</sup> ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF THE COMPANY

#### **The Members, Castle Traders Limited**

Your Directors have pleasure in presenting to you their 38<sup>th</sup> Annual Report together with the Audited Annual Financial Statements (including Consolidated) of the Company for the year ended 31<sup>st</sup> March, 2021 and the Auditors' Report thereon.

#### **1. FINANCIAL RESULTS (Standalone and Consolidated):**

The Company's financial performance for the previous and current financial year is under review:-

	<b>For the year ended 31<sup>st</sup> March, 2021</b>	<b>For the year ended 31<sup>st</sup> March, 2020</b>	<b>For the year ended 31<sup>st</sup> March, 2021</b>	<b>For the year ended 31<sup>st</sup> March, 2020</b>
	<b>Standalone</b>		<b>Consolidated</b>	
Total Income	8,88,52,835	26,54,05,763	8,88,52,835	26,54,05,763
Total Comprehensive income	(71,12,103)	2,93,390	5,21,62,775	(52,79,918)
Total Expenses	8,69,62,335	26,38,00,536	8,69,62,335	26,38,00,536
Depreciation & Amortization Expenses	3,930	5,894	3930	5,894
<b>Profit /(Loss) for the year</b>	<b>18,90,500</b>	<b>16,05,227</b>	<b>18,90,500</b>	<b>16,05,227</b>
Total Tax	5,16,167	4,40,952	5,04,467	4,40,952
<b>Profit /(Loss) for the year</b>	<b>13,74,333</b>	<b>11,64,275</b>	<b>13,86,033</b>	<b>11,64,275</b>
Add: Share of profit from Associate	-	-	5,95,32,632	(55,13,957)
Profit for the year after share of profit from associate	-	-	6,09,18,665	(43,49,682)
<b>Earnings per share (Basic) &amp; (Diluted)</b>	<b>5.61</b>	<b>4.75</b>	<b>248.65</b>	<b>(17.75)</b>

#### **2. STATE OF AFFAIRS:**

The main business of the Company is dealership of vehicles, general order suppliers, contractors, importers, traders, exporters, merchants, stockiest, buyers, sellers, growers, agents, brokers of all kind of cloths, coal, chemicals, paper and engineering goods.

The Company has also expanded its business in automobile sector for augmenting the revenues of the Company. The Company had entered into an arrangement with M/s. Khivraj Motors Private Limited and M/s. Khivraj Vahan Private Limited for dealing in used cars sale and has started trading of used cars three years ago.

During the year under review the total income of the Company was decreased from Rs.26,54,05,763/- to Rs.8,88,52,835/- due to outbreak of the COVID-19 pandemic and recorded profit before Tax of Rs.18,90,500/-.

#### **3. RESERVES:**

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.



#### 4. DIVIDEND:

The Board of Directors of your Company has not recommended any dividend for the year under review.

#### 5. EXTRACT OF ANNUAL RETURN:

In compliance with Section 134 (3)(a) read with Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the Annual Return for FY 2020-21 in the prescribed format is appended to this report as **Annexure 1**.

#### 6. DIRECTORS AND / KEY MANAGERIAL PERSONNEL:

The Board functions as full Board and it meets at regular intervals, policy formulation and evaluation of performance and control functions vest with the Board. The Board comprises of one whole time Director and four Non-Executive Directors including two Independent Directors.

Following are the details of directors of the company at the end of the year;

No	Name of the Directors	DIN	Designation
1	Bharat Kumar Chordia	00049455	Whole-Time Director
2	Prassan Kumari Chordia	01955334	Non-Executive Director
3	S. Sampathkumar	08832266	Non-Executive Director
4	Ratnesh Kumar Agrawal	08477121	Non-Executive Independent Director
5	A. Anandkumar	09045884	Non-Executive Independent Director

Following are the changes in the details of directors during the year under review;

Mr. V. Rajamanickam, Non executive Director of the Company retired on 25th September, 2020. The Directors wish to place on record their appreciation for the contribution made by Mr. V. Rajamanickam, as a distinguished Non Executive Independent Director of the Company.

Mr. A. Lakshmi Narayanan who was appointed as non- executive Independent Director of the Company resigned from the Company w.e.f. 27th October, 2020. The Directors wish to place on record their appreciation for the contribution made by A. Lakshmi Narayanan as distinguished Non Executive Independent Director of the Company.

It is informed that the term of Mr. Rahul Baid as Independent Director is expired and in view of the same it was proposed to reappoint Mr. Rahul Baid as additional Independent Director of the Company pursuant to section 149, 150, 152,161 of the Companies Act 2013 on recommendation of Nomination and Remuneration Committee at the Board Meeting held on 9th November, 2020 to hold office for a term of five consecutive years subject to the approval of Members of the Company.

Subsequently Mr. Rahul Baid were not be able to devote his time to the affairs of the Company and had stepped down from the position of Director of the Company with effect from 30th January, 2021. The Directors wish to place on record their appreciation for the contribution made by Mr. Rahul Baid as distinguished Non Executive Independent Director of the Company

The Board of Directors on recommendation of Nomination and Remuneration Committee, at their meeting held on 13th August, 2020 proposed the appointment of Mr. S. Sampathkumar (DIN 08832266) as Non-Executive Director of the Company with effect from the the date of AGM. Subsequently at the 37th AGM held on 25th September, 2020 his appointment was approved by the Shareholders.

Mrs Prassan Kumari Chordia was re-appointed as Directors of the company liable to retire by rotation. The Board accordingly recommends the resolution set out at Item No. 3 of the accompanying notice for the approval of the Members.

The Board of Directors on recommendation of Nomination and Remuneration Committee, at their meeting held on 9th November, 2020 appointed Mr. Ratnesh Kumar Agrawal, (DIN: 08477121) as additional Non-Executive Independent Director of the Company with effect from 9th November, 2020 pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office for a term of five (5) consecutive years commencing from 9th November, 2020 to 8th November, 2025.

The Board recommends passing of the Resolution set out at item No.4 of the Notice convening the Meeting.

The Board of Directors on recommendation of Nomination and Remuneration Committee, at their meeting held on 8th February, 2021 appointed Mr. A. Anandkumar (DIN: 09045884) as additional Non-Executive Independent Director of the Company with effect from 8th February, 2021 pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office for a term of five (5) consecutive years commencing from 8th February, 2021 to 7th February, 2026

The Board recommends passing of the Resolution set out at item No.5 of the Notice convening the Meeting.

Pursuant to the provisions of Section 203 of the Companies Act 2013, Mr. Bharat Kumar Chordia, Whole-time Director, Mr. Vijay Prasath, Chief Financial Officer and Mr. R. Manoranjan, Company Secretary of the Company are the Whole-Time Key Managerial Personnel (KMP) of the Company as on date of this report. The remuneration and other details of KMP for the year 2019-20 are provided in Extract of the Annual Return (**Annexure – 1**) which forms part of this Directors' report.

## 7. MEETINGS OF THE BOARD:

Four Board Meetings were held during the financial year under review i.e. on 26<sup>th</sup> June, 2020, 13<sup>th</sup> August, 2020, 9<sup>th</sup> November, 2020 and 8<sup>th</sup> February, 2021. The intervening gap between the Meetings was within the period as prescribed under the Companies Act, 2013. The details of the meeting and directors attendance are as below:-

No	Name of the Director	Designation and Category	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance of Last AGM
1.	Bharat Kumar Chordia	Whole time Director, Executive	4	4	Yes
2.	Prassan Kumari Chordia	Director, Non-Executive	4	3	No
3.	S. Sampathkumar (1)	Director, Non-Executive	4	2	No
4.	Ratnesh Kumar Agrawal (2)	Director, Non-Executive Independent	4	1	No

5.	A. Anandkumar (3)	Director, Non-Executive Independent	4	-	No
6.	V. Rajamanickam (4)	Director, Non-Executive	4	2	Yes
7.	A. Lakshmi Narayanan (5)	Director, Non-Executive Independent	4	2	No
8.	Rahul Baid (6)	Director, Non-Executive Independent	4	3	Yes

1. Mr. Sampathkumar has been appointed as Non-executive Director w.e.f 25<sup>th</sup> September, 2020 at the AGM held on 25<sup>th</sup> September, 2020
2. Mr. Ratnesh Kumar Agrawal has been appointed as additional Non-executive Independent Director w.e.f 09th November, 2020 at the Board Meeting held on 09th November, 2020
3. Mr. A. Anandkumar has been appointed as additional, Non-Executive Independent Director w.e.f 8th February, 2021 at the Board Meeting held 8th February, 2021.
4. Mr. V. Rajamanickam retired from the Company w.e.f 25th September, 2020 at the AGM held on 25th September, 2020.
5. Mr. A Lakshmi Narayanan has been resigned from the position of Director w.e.f 27th October, 2020
6. Mr. Rahul Baid was re-appointed as additional Independent Director of the Company pursuant to section 149, 150, 152,161 of the Companies Act 2013 on recommendation of Nomination and Remuneration Committee at the Board Meeting held on 9th November, 2020 to hold office for a term of five consecutive years. However, he was not in a position to devote his time to the affairs of the Company and had stepped down from the Director of the Company with effect from 30th January, 2021.

## 8. AUDIT COMMITTEE

The composition, powers, role and terms of reference of the Committee are constituted as per the Section 177 mentioned under the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015).

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 read with Schedule II of the SEBI Regulations, 2015. The Committee is vested with the necessary powers as defined in its Charter, to achieve its objectives.

The Company has an Audit Committee of the Board consisting of two Non-Executive Independent Directors and one Non executive Director. The audit committee met four times during the financial year ended 31st March, 2021 viz., on 26th June, 2020, 13th August, 2020, 9th November, 2020 and 8th February, 2021.

The Audit Committee was reconstituted w.e.f 8th February, 2021 consequent upon resignation of Mr. Rahul Baid and Mr. A. Lakshmi Narayanan. The present Audit Committee Members are as follows:

1. Mr. RatneshKumar Agrawal-Chairman
2. Mr. S. Sampathkumar- Member
3. Mr. A. Anandkumar- Member

There are no recommendations of the Audit Committee not accepted by the Board. The details of the meeting and directors attendance are as follows:

SI.No	Name of the Director	Status/Designation	No. of Meetings held	No. of Meetings attended
1.	Ratnesh Kumar Agarwal(1)	Chairman Independent, Non- Executive	4	1
2.	Rahul Baid(2)	Member, Independent, Non - Executive	4	4
3.	S. Sampathkumar (3)	Member, Non- Executive	4	1
4.	A. Lakshmi Narayanan (4)	Member, Independent, Non -Executive	4	3
5.	V. Rajamanickam (5)	Member, Non- Executive	4	2
6.	A. Anandkumar (6)	Member, Non- Executive Independent	4	-

1. Mr. Ratnesh Kumar Agrawal has been appointed as Chairman of the Audit Committee at the Board Meeting held on 9th November, 2020
2. Mr. Rahul Baid resigned from the Company and consequently ceased to be a member of Audit Committee with effective from 30th January, 2021
3. Mr. Sampathkumar has been appointed as a Member of the Audit Committee at the Board Meeting held on 09th November, 2020
4. Mr. A Lakshmi Narayanan has been resigned from the Company with effective from 27th October, 2020 consequently ceased to be a Member of Audit Committee
5. Mr. V. Rajamanickam retired from the Company w.e.f 25th September, 2020 consequently ceased to be a Member of Audit Committee .
6. Mr. A. Anandkumar has been appointed as a Member Audit Committee at the Board Meeting held on on 08th February, 2021.

## 9. NOMINATION AND REMUNERATION COMMITTEE

This Committee shall identify the persons, who are qualified to become Directors of the Company/ who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors and Key Managerial Personnel.

The Nomination and Remuneration Committee was reconstituted w.e.f 9th November, 2020. The present Audit Committee Members are as follows :

1. Mr. S. Sampathkumar-Member
2. Mr. Ratnesh Kumar Agrawal - Chairman
3. Mr. A. Anandkumar- Member .

The details of the meeting and directors attendance are as follows:-

Sl.No	Name of the Directors	Status/Designation	No. of Meetings held	No. of Meetings attended
1.	Rahul Baid (1)	Member Independent, Non-Executive	4	1
2.	Lakshmi Narayanan A. (2)	Member, Independent, Non - Executive	4	2
3.	V. Rajamanickam (3)	Member, Non- Executive	4	2
4.	Ratnesh Kumar Agarwal(4)	Chairman Independent, Non- Executive	4	2
5	S. Sampathkumar (5)	Member, Non- Executive	4	1
6	A. Anandkumar (6)	Member, Non- Executive Independent	4	-

1. Mr. Rahul Baid has resigned from the Company with effective from 30th January, 2021 consequently ceased to be a Member of the Nomination and Remuneration Committee.
2. Mr. A Lakshmi Narayanan has resigned from the Company with effective from 27th October, 2020 and consequently ceased to be a Member of the Nomination and Remuneration Committee.
3. Mr. V. Rajamanickam retired from the Company with effect from 25th September, 2020 and consequently ceased to be a Member of the Nomination and Remuneration Committee.
4. Mr. Ratnesh Kumar Agrawal has been appointed as Director of the Company at the Board Meeting held on 9th November, 2020 and consequently included as one of the Member of Nomination and Remuneration Committee
5. Mr. Sampathkumar has been appointed as a Director of the Company with effect from 25th September, 2020 and consequently included as one of the Member of Nomination and Remuneration Committee. Mr. A. Anandkumar has been appointed as Director of the Company with effect from 8th February, 2021 and consequently included as one of the Member of Nomination and Remuneration Committee

The Committee met four times during the financial year ended 31<sup>st</sup> March, 2021 viz., on 26<sup>th</sup> June, 2020, 13<sup>th</sup> August, 2020, 9<sup>th</sup> November, 2020 and 8<sup>th</sup> February, 2021 to determine and recommend the re-appointment of Non-executive Director and to pay remuneration to Whole-Time Director.

## 10.REMUNERATION OF DIRECTORS

The Board of Directors decided to pay the Remuneration to Non-Executive Directors by way of Sitting Fees for the Meetings of the Board and General Meetings attended by them.

None of the Non-Executive Directors of your Company have any pecuniary relationship or material transactions with the Company except for Sitting Fees paid to them for attending Board Meetings and General Meetings. The Company has not issued Stock Options to any of its Directors. There is no differential Accounting Treatment followed in the Company during the Financial Year 2020-21.

The details of shareholding, remuneration and sitting fees paid to the whole time Director and Non-Executive Directors as on 31<sup>st</sup> March, 2021 are given in MGT-9 (Extract of Annual Return).

## **11.ANNUAL GENERAL MEETING**

During the year, the company had conducted its 37<sup>th</sup>Annual General Meeting which was held on 25<sup>th</sup>September, 2020 as per the statutory requirement.

## **12.DIRECTORS RESPONSIBILITY STATEMENT:-**

Pursuant to the requirements under section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors confirm that they have:

- (a) followed in the preparation of the annual accounts, the applicable accounting standards and given proper explanations relating to material departures, if any;
- (b) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial period and the profit of the company for that period;
- (c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) prepared the annual accounts on a going concern basis;
- (e) had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **13.DECLARATION OF INDEPENDENT DIRECTOR:-**

The Company has received necessary declaration from Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

## **14. MATERIAL SUBSIDIARIES:-**

The Company does not have any subsidiary except an associate company, Navaratan Property and Holdings Private Limited and the Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company as the paid-up capital and net worth of the company is not exceeding rupees ten crores and twenty five crores, respectively.

## **15. CODE OF CORPORATE GOVERNANCE:**

The compliance with the corporate governance provisions as specified in Part C, D & E of Schedule V of SEBI (LODR) Regulations 2015 are not applicable to the company since the Company was having paid-up equity share capital not exceeding rupees ten crores and net worth not exceeding rupees twenty five crores on the last day of the previous financial year.

Part F Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Disclosures with respect to demat suspense account/ unclaimed suspense Account – There are no shares outstanding in demat suspense account or unclaimed suspense account.

## **16. NOMINATION AND REMUNERATION POLICY :-**

The nomination remuneration policy is framed in compliance with Section 178 of the Companies Act, 2013.

The purpose of forming the committee is to:-

- (a) identify a person who are qualified to become directors, key managerial personnel and recommend to the Board their appointment and removal;
- (b) shall carry out evaluation of every director's and every committee member's performance;
- (c) frame a remuneration policy for the directors/KMPs;
- (d) evaluation of the performance of the independent directors, etc.,

## **17. VIGIL MECHANISM :-**

The company has established a vigil mechanism (for directors and employees to report genuine concerns) pursuant to the provisions of Section 177 of the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and there no significant events for reporting. It is further affirmed that no employee has been denied access to the audit committee during the year 2020-21.

## **18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE BY THE COMPANY:-**

During the year, the company has not given loan or advances or provided security or guarantee to other companies as prescribed under the Section 186 of the Companies Act, 2013. Also the Company has not taken any secured loans or unsecured loans under the Companies Act 2013.

## **19. RELATED PARTY TRANSACTIONS**

It is informed that the Company at the AGM held on 05th July, 2017, had accorded approval of shareholders for transactions with Related Parties with Ms/ Khivraj Motors Private Limited and Khivraj Vahan Private Limited for Sale / Purchase or supply of goods and / or services not exceeding Rs.1.00 crore each for the period of three years.

During FY 2020-21 the Company has crossed such limit and reached the transaction amount of Rs. 6.00 crore with Khivraj Motors Private Limited and Rs. 2.11 crore with Khivraj Vahan Private Limited respectively. All such transactions were in the Ordinary course of business and at Arm's Length price. The Audit Committee and the Board of Directors of the Company have considered these Contracts / Arrangement and limits at their respective meetings and ratified and approved the Contracts/ Arrangements with the Related Party (ies) and have also decided to seek ratification and approval of Shareholders for the exceeding amount pursuant to Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The Board of Directors of the Company recommends the Resolution as set out at Item No.6 in the accompanying Notice for ratification and approval of the members.

It is further informed that the Company may enter into enter into contract / agreement / arrangement for sale / purchase / supply of goods and services and Sale / otherwise dispose of / Purchase of movable /immovable assets / properties / investments with related parties and lesing arrangement as

detailed in the Notice and explanatory statement in item No. 7,8 and 9 which shall be in the Ordinary course of business and at Arm's Length price for a period of three years from 01st April, 2021 to 31st March, 2024.

All such transactions were on an arm's length basis and in the ordinary course of business. Hence, it is proposed to secure shareholders' approval on resolution No.7, 8 and 9 of the Notice convening the Annual General Meeting for approving the prospective material related party transactions for the period commencing from 1stApril, 2021 to 31stMarch, 2024. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length.

Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval. The details of related party transactions pursuant to clause (h) of sub -section 134 of the Act, is enclosed in Form AOC-2 as **Annexure – 2**

The Board of Directors of the Company recommends the Resolution as set out at Item No.7,8 and 9 in the accompanying Notice for approval of the members.

## **20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:-**

No material changes and commitments have occurred, affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

## **21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

### **A) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

As per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, stipulates that the report of the Board shall contain the information viz., the steps taken to conserve the energy, the steps taken for utilizing the alternate sources of energy, the capital investment on energy conservation equipments, the efforts made towards technology absorption, the benefits derived due to technology absorption, information about import technology if any, and the expenditure incurred on research and development etc.,

As the company is a trading company, there were no opportunities for the company to conserve energy and absorb technology. However, wherever possible, the company made sufficient measures to save energy and absorb technology.

### **B) FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

During the year, the company has not made any actual foreign exchange earnings or outgo.

## **22. RISK MANAGEMENT :-**

The Board periodically reviews the risks which are associated with business objectives, growth, talent aspects etc., and actions are being taken to mitigate those risks then and there.



### **23. CORPORATE SOCIAL RESPONSIBILITY:-**

The Company has neither developed nor implemented any Corporate Social Responsibility initiatives as the Net worth, Turnover or Net profit of the company had not reached the threshold limits prescribed under Section 135 of the Companies Act, 2013.

### **24. ANNUAL EVALUATION:-**

Your company believes that the Board and committees are playing a very important role in the performance of the company. Monitoring and giving timely inputs of the Board and committees enhances the performance and set the right directions for growth. The annual evaluation has been made at the close of the financial period. The evaluation of the Board and Committee was conducted based on the peer evaluation excluding the director/member being evaluated through Board / Committee effectiveness survey.

The performance evaluation has been made and all the directors / committee members and they have given satisfactory report of the fellow members of the Board as well as the Audit Committee and the Nomination and Remuneration Committee.

### **25. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:-**

The Company does not have any Subsidiary and Joint venture Company except one associate company named Navaratan Property Holdings Private Limited.

The Form AOC -1 having particulars about the associate company is enclosed. There is no contribution from that company for the overall performance of your company except to the extent of investment held in that company specified in **Annexure -3**.

### **26. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:-**

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the company and its future operations.

### **27. SECRETARIAL STANDARDS:**

During the Financial Year, your Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

### **28. DEPOSITS:**

The Company has neither accepted nor renewed any deposits during the period under review. Hence, the details relating to deposits covered under the Chapter V is not required to disclose.

### **29. GENERAL SHAREHOLDERS INFORMATION:**

In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively and by General Circular No.02/2021 dated 13th January 2021, allowed companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 ("MCA Circulars"). The Securities and Exchange Board of India

('SEBI') also issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 the validity of which has been extended till December 31, 2021 by SEBI, vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("SEBI Circulars"). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 38<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 38<sup>th</sup> AGM shall be the Registered Office of the Company.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 38<sup>th</sup> AGM.

In line with the MCA Circulars and SEBI Circular, the Notice of the 38<sup>th</sup> AGM and Annual Report for the year 2021 will be available on the website of the Company at [www.castletraders.co.in](http://www.castletraders.co.in) in and on the website of the Metropolitan Stock Exchange India Limited (MSEI) at [www.msei.in](http://www.msei.in) for download.

Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 38<sup>th</sup> AGM and the Annual Report for the year 2021 including therein the Audited Financial Statements for year 2021, are being sent only by e-mail to the Members. Therefore, those Members, whose e-mail address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 38<sup>th</sup> AGM and the Annual Report for the year 2021 and all other communication sent by the Company, from time to time, can get their email address with the Company and or share transfer Agent, M/s. Cameo Corporate Services Limited.

Members are requested to read the general instructions for accessing and participating in the 38<sup>th</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting as set out in the Notice of 38<sup>th</sup> AGM.

### **30. LISTING WITH STOCK EXCHANGE:**

The company confirms that it has paid the Annual Listing Fees for the year 2021-22 to the Metropolitan Stock Exchange India Limited where the company's shares are listed.

### **31. AUDITORS:**

M/s. S.C. Ajmera & Co, Chartered Accountants (ICAI Firm Registration No.002908C) was appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of the 36<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting to be held in FY 23-24.

The Board was authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors. The existing Statutory Auditors viz., M/s. S.C. Ajmera & Co., Chartered Accountants, will continue to be the Statutory Auditors of the Company till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company. The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company. The remuneration paid for the financial year 202-21 is as per notes to the financial statement.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation.

The Notes on financial statements are self-explanatory, and needs no further explanation. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

### **32. INTERNAL AUDITOR:**

The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the statutory auditors. A qualified Chartered Accountant has been appointed as Internal Auditors of the Company, to conduct internal audit functions and activities of the Company.

### **33. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.S.Ganesan, Company Secretary in Practice, to undertake and conduct the Secretarial Audit of the Company for the financial year 2020-21.

The Company has received his written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditor has confirmed that he is not disqualified to be appointed as the Secretarial Auditors of the Company for the year ending 31st March, 2021. The Secretarial Audit Report is attached with this report as **Annexure- 4**.

The Secretarial Audit Report is self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Secretarial Auditor had not reported any matter under Section 143 (12) of the Act therefore no detail is required to be disclosed under Section 134 of the Act.

### **34. COST AUDITOR:**

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and Audits) Rules, 2014, as amended from time to time the business activities of the company do not fall under the scope of mandatory cost audit.

### **35. MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report, emphasizing the business details, is attached and forms part of the report as **Annexure - 5**.

### **36. PARTICULARS OF EMPLOYEES:**

None of the employees are drawing remuneration more than the limit specified under the Companies Act, 2013. Hence, details of the employees of the Company as required pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not furnished.

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, forming part of the Annual Report, is available for inspection at the registered office of the company during working hours.

### **37. SHARES:-**

- The Company has not bought back any of its securities during the period under review.
- The Company has not issued any sweat equity shares during the period under review.
- No Bonus Shares were issued during the period under review.
- The Company has not provided any stock option scheme to the employees.
- The Company has not issued / allotted / completed the issue of / any equity shares with differential rights.

### **38. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an anti Sexual Harassment Policy in line with the requirement of the Prevention of Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. Internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any complaint of Sexual harassment during the year 2020-21 under review.

### **39. CERTIFICATE UNDER REGULATION 34 OF SEBI (LODR) REGULATIONS, 2015**

Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate received from a Company Secretary in practice is enclosed as **Annexure- 6**.

### **40. NON APPLICABILITY OF STATEMENT OF DEVIATION(S) OR VARIATION(S) UNDER REGULATION 32 OF SEBI (LODR) REGULATION, 2015**

Your Company confirms that there has been no deviation(s) or variation(s) in the use of the public issue proceeds raised from the Initial Public Offer (IPO) as required to be disclosed under Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company also submits and state that the IPO proceeds has been utilized for the purpose (s) as stated in the prospectus. Hence, the Statement of deviation(s) or variation(s) is not applicable to the Company.

### **41. CAUTIONARY STATEMENT:**

Statements in the "Management Discussion & Analysis" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the company's markets, changes in the government regulations, tax regimes, economic developments within India and countries with which the company conducts business.

#### **42. ACKNOWLEDGEMENTS:-**

Your Directors place on record their sincere thanks to all the stake holders for their continued support extended to your Company's activities during the period under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on the Company.

**For and on behalf of the Board of Directors  
Castle Traders Limited**

**Bharat Kumar Chordia  
Whole-time Director  
[DIN:00049455]**

**Ratnesh Kumar Agrawal  
Director  
[DIN:08477121]**

**Date: 29<sup>th</sup> June, 2021  
Place: Chennai**

## FORM – MGT -9

## EXTRACT OF ANNUAL RETURN

Financial year ended on 31<sup>st</sup> March, 2021

[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	L51909TN1983PLC045632
ii)	Registration Date	26-10-1983
iii)	Name of the Company	<b>CASTLE TRADERS LIMITED</b>
iv)	Category / Sub-Category of the Company	Company having share capital
v)	Address of the Registered office and contact details	No.617, 'Bharat Kumar Bhavan, Anna Salai, Chennai - 600 006 Email:cs@khivrajmail.com www.castletraders.co.in
vi)	Whether listed company	Yes, (Listed in Metropolitan Stock Exchange India Limited )
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai – 600 002, Tel.2846 0390. Email id: investor@cameoindia.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:-			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sale of used vehicles	45102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sl No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Navaratan Property Holdings Private Limited	U51219WB1995PTC067353	Associate	34.71%	2(6)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares Total	Demat	Physical	Total	% of total shares Total	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	137000	0	137000	55.92	137000	0	137000	55.92	0.0
b) Central Govt	0	0	0	0	0	0	0	0	0.0
c) State Govt (s)	0	0	0	0	0	0	0	0	0.0
d) Bodies Corp.	42500	0	42500	17.35	42500	0	42500	17.35	0.0
e) Banks / FI	0	0	0	0	0	0	0	0	0.0
f) Any Other	0	0	0	0	0	0	0	0	0.0
<b>Sub-total (A) (1) :-</b>	<b>179500</b>	<b>0</b>	<b>179500</b>	<b>73.27</b>	<b>179500</b>	<b>0</b>	<b>179500</b>	<b>73.27</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0.0
b) Other -Individuals	0	0	0	0	0	0	0	0	0.0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.0
d) Banks / FI	0	0	0	0	0	0	0	0	0.0
e) Any Other....	0	0	0	0	0	0	0	0	0.0
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Total shareholding of Promoter A= (A)(1)+(A)(2)</b>	<b>179500</b>	<b>0</b>	<b>179500</b>	<b>73.27</b>	<b>179500</b>	<b>0</b>	<b>179500</b>	<b>73.27</b>	<b>0.0</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change During the year
	Demat	Physical	Total	% of shares Total	Demat	Physical	Total	% of shares Total	
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0.0	0	0	0	0.0	0.0
b) Banks / FI	0	0	0	0.0	0	0	0	0.0	0.0
c) Central Govt	0	0	0	0.0	0	0	0	0.0	0.0
d) State Govt	0	0	0	0.0	0	0	0	0.0	0.0
e) Venture Capital Funds	0	0	0	0.0	0	0	0	0.0	0.0
f) Insurance Companies	0	0	0	0.0	0	0	0	0.0	0.0
g) FIs	0	0	0	0.0	0	0	0	0.0	0.0
h) Foreign Venture Capital funds	0	0	0	0.0	0	0	0	0.0	0.0
i) Others (specify)	0	0	0	0.0	0	0	0	0.0	0.0
<b>Sub-total (B)(1) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.	0	1100	1100	0.45	0	1100	1100	0.45	0.0
i) Indian	0	0	0	0	0	0	0	0	0.0
ii) Overseas	0	0	0	0	0	0	0	0	0.0
b) Individuals	52350	6300	58650	23.93	52350	6300	58650	23.93	0.0
i) Individual shareholders holding nominal share capital upto Rs.2 Lakhs	52350	6300	58650	23.93	52350	6300	58650	23.93	0.0
ii) Individual shareholders holding nominal share capital in excess of Rs.2 Lakhs	0	0	0	0	0	0	0	0	0.0
<b>c) Others (specify) Hindu Undivided Families</b>	<b>4300</b>	<b>1450</b>	<b>5750</b>	<b>2.35</b>	<b>4300</b>	<b>1450</b>	<b>5750</b>	<b>2.35</b>	<b>0.0</b>
<b>Sub-total (B)(2):-</b>	<b>56650</b>	<b>8850</b>	<b>65500</b>	<b>26.73</b>	<b>56650</b>	<b>8850</b>	<b>65500</b>	<b>26.73</b>	<b>0.0</b>
<b>Total Public Share Holding</b>	<b>56650</b>	<b>8850</b>	<b>65500</b>	<b>26.73</b>	<b>56650</b>	<b>8850</b>	<b>65500</b>	<b>26.73</b>	<b>0.0</b>
<b>(B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Grand Total (A)+(B)+(C)</b>	<b>236150</b>	<b>8850</b>	<b>245000</b>	<b>100.00</b>	<b>236150</b>	<b>8850</b>	<b>245000</b>	<b>100.00</b>	<b>0.0</b>



**(IV)(ii) Promoter Shareholding Pattern**

S.No	Name of the Share Holder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the period
		No. of Shares	% of total Shares of the company	% of Shares Pledged encumbered	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total number of Shares	
1	Bharat Kumar Chordia	34500	14.08	0.0	34500	14.08	0.0	0.0
2	Kanta Devi	12000	4.90	0.0	12000	4.90	0.0	0.0
3	Khivraj Holdings Private Limited	31500	12.86	0.0	31500	12.86	0.0	0.0
4	Mitali Chordia	12000	4.90	0.0	12000	4.90	0.0	0.0
5	Navaratanmull Chordia	12000	4.90	0.0	12000	4.90	0.0	0.0
6	Prassan Kumari Chordia	11500	4.69	0.0	11500	4.69	0.0	0.0
7	Akanksha Chordia	11500	4.69	0.0	11500	4.69	0.0	0.0
8	Kritika Chordia	11000	4.49	0.0	11000	4.49	0.0	0.0
9	Ajit Kumar Chordia	11000	4.49	0.0	11000	4.49	0.0	0.0
10	Manisha Chordia	11000	4.49	0.0	11000	4.49	0.0	0.0
11	Khivraj Motors Private Limited	11000	4.49	0.0	11000	4.49	0.0	0.0
12	Navaratanmull Ajit Kumar Chordia	10500	4.29	0.0	10500	4.29	0.0	0.0
<b>TOTAL</b>		<b>1,79,500</b>	<b>73.27</b>	<b>0.0</b>	<b>1,79,500</b>	<b>73.27</b>	<b>0.0</b>	<b>0.0</b>

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

S.No	Name of the Share Holder	Shareholding at the beginning of the year	% of total share holding	Cumulative shareholding (transfer/allotment/bonus)	Shareholding at the end of the year	% of total share holding
No change in Promoter shareholding during the year						

**(IV) (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):**

S.No	Name of the Share Holder	Shareholding at the beginning of the year	% of total share holding	Cumulative shareholding (transfer/allotment/bonus)	Shareholding at the end of the year	% of total share holding
1	Rishabh Kumar Bothra / Garima Bothra	11500	4.69	0.0	11500	4.69
2	Kamala Devi Sethia	4000	1.63	0.0	4000	1.63
3	Pushpa Sethia	4000	1.63	0.0	4000	1.63
4	Rajendra Kumar Sethia [HUF]	4000	1.63	0.0	4000	1.63
5	Rohit Baid	4000	1.63	0.0	4000	1.63
6	Chandrakant Kankaria	3300	1.35	0.0	3300	1.35
7	Sushil Kumar Daga	3100	1.27	0.0	3100	1.27
8	Rajendra Kumar Sethia	3000	1.22	0.0	3000	1.22
9	Sulekha Kumari Kankaria	2950	1.20	0.0	2950	1.20
10	Deepti Kankaria	2700	1.10	0.0	2700	1.10

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

Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No of shares	% of total share holding	No of shares	% of total share holding
<b>1. Bharat Kumar Chordia - Whole time Director</b>				
At the beginning of the year	34500	14.08	34500	14.08
Change during the Year	0	0.0	0	0.0
At the end of the year	34500	14.08	34500	14.08

2. Prassan Kumari Chordia - Director	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No of shares	% of total share holding	No of shares	% of total share holding
At the beginning of the year	11500	4.69	11500	4.69
Change during the Year	0	0.0	0	0.0
At the end of the year	11500	4.69	11500	4.69

<b>3. V. Rajamanickam - Director (Retired w.e.f 25<sup>th</sup> September, 2020)</b>	<b>No of shares</b>	<b>% of total share holding</b>	<b>No of shares</b>	<b>% of total share holding</b>
At the beginning of the year	11500	4.69	11500	4.69
Change during the Year	0	0.0	0	0.0
At the end of the year	11500	4.69	11500	4.69

<b>4. Ratnesh Kumar Agrawal (Appointed w.e.f 9<sup>th</sup> November, 2020)</b>	<b>No of shares</b>	<b>% of total share holding</b>	<b>No of shares</b>	<b>% of total share holding</b>
At the beginning of the year	Not holding any shares			
Change during the Year				
At the end of the year				

<b>5. Rahul Baid (Resigned w.e.f 8<sup>th</sup> February, 2021)</b>	<b>No of shares</b>	<b>% of total share holding</b>	<b>No of shares</b>	<b>% of total share holding</b>
At the beginning of the year	Not holding any shares			
Change during the Year				
At the end of the year				

<b>6. A. Anandakumar (Appointed w.e.f 8<sup>th</sup> February, 2021)</b>	<b>No of shares</b>	<b>% of total share holding</b>	<b>No of shares</b>	<b>% of total share holding</b>
At the beginning of the year	Not holding any shares			
Change during the Year				
At the end of the year				

<b>7. Lakshmi Narayanan A. (Resigned w.e.f 27<sup>th</sup> October, 2020)</b>	<b>No of shares</b>	<b>% of total share holding</b>	<b>No of shares</b>	<b>% of total share holding</b>
At the beginning of the year	Not holding any shares			
Change during the Year				
At the end of the year				

<b>8. S. Sampathkumar (Appointed w.e.f 25<sup>th</sup> September, 2020)</b>	<b>No of shares</b>	<b>% of total share holding</b>	<b>No of shares</b>	<b>% of total share holding</b>
At the beginning of the year	Not holding any shares			
Change during the Year				
At the end of the year				

**Name of the Key Managerial Personnel**

<b>9. L. Vijaya Prasad - CFO</b>	<b>No of shares</b>	<b>% of total share holding</b>	<b>No of shares</b>	<b>% of total share holding</b>
At the beginning of the year	Not holding any shares			
Change during the Year				
At the end of the year				

<b>10. R. Manoranjan- Company Secretary</b>	<b>No of shares</b>	<b>% of total share holding</b>	<b>No of shares</b>	<b>% of total share holding</b>
At the beginning of the year	Not holding any shares			
Change during the Year				
At the end of the year				

<b>V.INDEBTEDNESS</b>								
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>								
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>				
<b>Indebtedness at the beginning of the financial year</b>								
	NIL							
i) Principal Amount								
ii) Interest due but not paid								
iii) Interest accrued but not due								
<b>TOTAL (i+ii+iii)</b>								
<b>Change in Indebtedness during the financial year</b>								
Addition								
Reduction								
Net Change								
i) Principal Amount								
ii) Interest due but not paid								
iii) Interest accrued but not due								
<b>TOTAL (i+ii+iii)</b>								

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>			
<b>S.No</b>	<b>Particulars of Remuneration</b>	<b>Bharat Kumar Chordia (Whole time Director)</b>	<b>Total Amount</b>
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites under section 17(2) of Income Tax Act, 1961 c) profit in lieu of salary under section 17(3) of Income Tax Act, 1961	2,40,000	2,40,000
2	Fee for attending Board / Committee Meetings/General Meetings	25,000	25,000
3	Stock Options	-	-
4	Sweat Equity	-	-
5	Contribution to PF and Superannuation	-	-
	Commission -as a percentage of profit	-	-
	<b>Total (A)</b>	<b>2,65,000</b>	<b>2,65,000</b>

<b>B. (1) Remuneration to other Directors: Independent Directors</b>				
<b>S.No</b>	<b>Particulars of Remuneration</b>	<b>Name of the Director</b>		<b>Total Amount</b>
		<b>Rahul Baid</b>	<b>Lakshmi Narayanan</b>	
1	Fee for attending Board/ Committee Meetings/ General Meetings	20,000	10,000	30,000
2	Commission	-	-	-
3	Other, please specify	-	-	-
<b>Total B (1)</b>		<b>20,000</b>	<b>10,000</b>	<b>30,000</b>

<b>B. (1) Remuneration to other Directors: Independent Directors</b>				
<b>S.No</b>	<b>Particulars of Remuneration</b>	<b>Name of the Director</b>		<b>Total Amount</b>
		<b>Ratnesh Kumar Agrawal</b>	<b>A. Anandkumar</b>	
1	Fee for attending Board/Committee Meetings/General Meetings	5,000	-	5,000
2	Commission	-	-	-
3	Other, please specify	-	-	-
<b>Sub-Total (B1)</b>		<b>5,000</b>	<b>-</b>	<b>5,000</b>
<b>Total (B1)</b>				<b>35,000</b>

**B. (2) Remuneration to other Directors: Non executive Directors**

S. No	Particulars of Remuneration	Name of the Director			Total Amount
		Prassan Kumari Chordia	V.Rajamanickam	S. Sampathkumar	
1	Fee for attending Board/Committee Meetings/General Meetings	15,000	15,000	10,000	40,000
2	Commission	-	-	-	-
3	Other, please specify	-	-	-	-
<b>Total B (2)</b>		<b>15,000</b>	<b>15,000</b>	<b>10,000</b>	<b>40,000</b>
<b>Total (B)=(B)(1)+(B)(2)</b>					<b>75,000</b>

**B. Remuneration to key managerial personnel other than MD/Manager/WTD**

S no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. R. Manoranjan-Company Secretary	Mr. L. Vijya Prasad ( CFO)	
1	Gross salary (per annum)			
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	5,38,726	72,000	6,10,726
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of Profit	0	0	0
5	Others, please specify	0	0	0
<b>Total ( C)</b>		<b>5,38,726</b>	<b>72,000</b>	<b>6,10,726</b>

<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty /Punishment / compounding fees imposed</b>	<b>Authority [RD/NCLT/COURT]</b>	<b>Appeal made, if any (give details)</b>
<b>A. COMPANY</b>					
Penalty			Not applicable		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Not applicable		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Not applicable		
Punishment					
Compounding					

**For and On behalf of the Board of Directors  
Castle Traders Limited**

**Place: Chennai  
Date: 29th June, 2021**

**Bharat Kumar Chordia  
Whole-time Director  
(DIN: 00049455)**

**Ratnesh Kumar Agarwal  
Director  
(DIN: 08477121)**

## FORM NO. AOC.2

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

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

<b>Details of contracts or arrangements or transactions at arm's length basis</b>				
a.	Name(s) of the related party	<b>Khivraj Motors Private Limited</b>	<b>Khivraj Vahan Private Limited</b>	<b>Mr. Bharat Kumar Chordia</b>
b.	Nature of relationship	Common Director	Common Director	Whole- Time Director
c.	Nature of contracts/arrangements/transactions	Ordinary course of business and Arm's Length Basis	Ordinary course of business and Arm's Length Basis	Ordinary course of business and Arm's Length Basis
d.	Duration of the contracts/arrangements/transactions	NA	NA	NA
e.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase of cars	Purchase of cars	Rent paid
f.	Value of arrangement	Rs.5,90,11,500	Rs.2,10,32,200	Rs.1,20,000
g.	Date(s) of approval by the Board, if any:	26 <sup>th</sup> .June 2020	26 <sup>th</sup> .June 2020	26 <sup>th</sup> .June 2020
h.	Date(s) of approval by the members, if any:	Not Applicable	Not Applicable	Not Applicable

For and on Behalf of the Board of Directors  
Castle Traders Limited

Date:29<sup>th</sup> June, 2021  
Place:Chennai

**Bharat Kumar Chordia**  
Whole-time Director  
[DIN:00049455]

**Ratnesh Kumar Agrawal**  
Director  
[DIN:08477121]



**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part –A – Subsidiaries NIL**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl.No.	NIL
Name of the subsidiary:	
The date since when subsidiary was acquired	
Reporting period or the subsidiary concerned, if different from the holding company's reporting period.	
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	
Share capital:	
Reserves and surplus:	
Total assets:	
Total Liabilities:	
Investments:	
Turnover:	
Profit before taxation:	
Provision for taxation:	
Profit after taxation:	
Proposed Dividend/Interim Dividend:	
Extent of shareholding (in percentage):	
The following information shall be furnished at the end of the statement:	
Names of subsidiaries which are yet to commence operations: <b>Not applicable</b>	
Names of subsidiaries which have been liquidated or sold during the year: <b>Not applicable</b>	

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company

No	Name of the Associate Company	Navaratan Property Holdings Private Limited
1	Latest audited Balance Sheet date	31/03/2021
2	Date on which the Associate of Joint Venture was associated or acquired	27/03/2010
3	<b>Shares of Associate held by the company on end of the period</b>	
	Number of Equity shares of Rs.10/- Each	83,90,250
	Amount of investment in associates	Rs.8,47,500
	Extend of Holding %	34.71
4	Description of how there is significant influence	Associate Company
5	Net worth as per latest audited balance sheet	Rs. 36,53,47,319/-
6	Net worth attributable to the shareholding as per latest audited balance sheet	Rs. 12,68,12,054/-
7	Profit/(Loss) for the period (Profit Before Tax)	Rs.18,44,13,256/-
8	Considered in consolidation	Rs.5,95,32,632/-
9	Not considered in consolidation	Rs.11,07,50,544/-

**For and on Behalf of the Board of Directors  
Castle Traders Limited**

**Date: 29<sup>th</sup> June, 2021  
Place: Chennai**

**Bharat Kumar Chordia  
Whole-time Director  
[DIN:00049455]**

**Ratnesh Kumar Agrawal  
Director  
[DIN:08477121]**

**FORM NO. MR-3**

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

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021**

To,

The Members,  
**CASTLE TRADERS LIMITED**  
Bharat Kumar Bhavan  
No.617, Anna Salai  
Chennai-600 006

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CASTLE TRADERS LIMITED (CIN L51909TN1983PLC045632)** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 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 the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No transactions during the year under reference)
- (v) All the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) 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;
  - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 and
  - (i) The Securities and Exchange Board of India (Buyback of securities) Regulations, 1998;
- (vi) The Shops & Establishments Act, Payment of Wages Act and other Social Welfare Acts;
- (vii) I have also examined compliance with the applicable clauses of the following:
- (i) The Secretarial Standards issued by The Institute of Company Secretaries of India;
  - (ii) The Company's securities are listed with the Metropolitan Stock Exchange of India Limited (MSEIL). The shares of the company were earlier listed with the Madras Stock Exchange Limited (MSE). However, after the de-recognition/defunct of MSE, the company listed its securities with Metropolitan Stock Exchange of India Limited (MSEIL) with effect from 14<sup>th</sup> October, 2016. The Company has complied with all events based and time based compliances as per the Listing requirements and SEBI (LODR) Regulations, 2015 during this period.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,**

having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has complied with the laws specifically applicable to the company,

**I further report** that during the audit period,

The company has not made offerings of any securities;  
The company has not redeemed any of its shares;  
The company has not raised secured loans;  
The company has not repaid secured/unsecured loans;

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

**S.GANESAN**

**(Company Secretary in Practice)**  
**FCS 4779/CP 8336**

**Place: Chennai**  
**Date: 09.07.2021**  
**UDIN:F004779C000605192**

**ANNEXURE –A**

To,  
The Members,  
**CASTLE TRADERS LIMITED,**  
Bharat Kumar Bhavan  
617, Anna Salai,  
Chennai-600 006.

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

Maintenance of Secretarial records is the responsibility of the Management of the company.

My responsibility is to express an opinion on these secretarial records based on my audit.

I have followed the audit practices and process as were appropriate to obtain Reasonable assurance about the correctness of the contents of the secretarial records.

The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed, provides a reasonable basis for my opinion.

I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.

Wherever required, I have obtained the Management representation about Compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management .My examination was limited to the verification of procedure on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**S.GANESAN**

**(Company Secretary in Practice)**  
**FCS 4779/CP 8336**

**Place:Chennai**  
**Date:09.07.2021**  
**UDIN:F004779C000605192**

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **1. OVERVIEW:**

The automobiles sector in every country is dependent on other sectors like transport, physical infrastructure (road, rail, port and power), digital infrastructure (streamlined online portals for carrying out business operations remotely) and social infrastructure (automotive hubs), labor, and land acquisition.

All these factors play an important role in ensuring the business continuity in the automobile sector. The Indian auto industry has moved from BS-IV to BS-VI and to electric vehicles.

FY2021 has been one of the toughest years in the history of the Indian automotive industry, with the outbreak of the COVID-19 pandemic putting a spanner in the works. The automobile industry, which was already facing headwinds of a slowing economy, was brought to a standstill with the nationwide lockdown in April 2020. However, sales in Q4 of FY2021 were encouraging for the industry.

### **2. MOBILITY REVOLUTION:**

Use of public transport in India has waned as private vehicle ownership has boomed, but increasing strain on the road infrastructure in major cities means public investment is likely in urban mass mobility schemes such as metro systems and buses.

The automotive industry is unlikely to lose much of its customer base in the near-term, even as these schemes become more prevalent, because the socio-economic statement of car ownership will continue to make private vehicles desirable.

### **3. ACCESS TO MOBILITY:**

The industry is witnessing a shift from the traditional “ownership” mindset toward “access to mobility” Impact on automotive industry Business models operating in the short-term hire space despite being a very young market, the advanced mobility space is gaining ground in the country, with a multitude of business model variants.

In line with other global markets, India is also witnessing the proliferation of technology-driven mobility service providers (such as cab aggregators and ride-sharing companies). This is driven by factors such as high cost of vehicle ownership, rising congestion, growing connectivity and mobile penetration.

Consequently, the Indian consumer is being drawn toward the idea of “access” from “ownership,” as these technology-intensive business models provide short-term access to vehicles.

### **4. TRANSITION TO BS VI:**

Transition to BS-VI norms was extended keeping in mind the nationwide lockdown to curb the novel coronavirus disease (COVID-19) pandemic. This transition will require significant engine technology changes. New emission norms will also have to be met in all conditions and not just the ideal testing conditions. Due to this technology upgrade, price of petrol cars are gone up by Rs 20,000- 30,000. It is estimated that auto & auto parts industry in India will have to invest over USD 10 billion to be able to manufacture BS-VI compliant cars. Investments have to be made progressively over the next three years in line with the market demand. Further, major regulatory interventions, such as the accelerated transition from BS IV to BS VI, adoption of electric vehicles, safety rules and stringent vehicle standards are leading to a shift in vehicle technology.

This is creating significant challenges, not only for the automotive industry and supplier ecosystem but also in related sectors such as energy, oil & gas, transportation, and urban development. Also, the development of smart infrastructure (e.g. smart cities), alternative modes of transportation and the drive to enable electric vehicle charging infrastructure will change the face of mobility infrastructure.

## **5. GREEN REVOLUTION:**

India's automobile industry is poised at the start of an exciting phase of growth, not all of which may derive from manufacturing conventional fuel-based vehicles. Various possibilities ranging from developing vehicles based on alternate fuels to collaborating with some-time rivals, have the potential to open fresh avenues for growth.

In a price-conscious economy such as India, the shift towards green vehicles will be slow unless spurred by government mandates. Although the major players are already equipped with the necessary capabilities to develop cleaner vehicles, they do not see much merit in commercializing these technologies until the green revolution gains momentum most likely through changes in political legislation – and it achieves the market scale required for commercial viability.

Manufacturers are placing greater faith in dual-fuel technologies than in battery-powered alternatives because the necessary support infrastructure, such as recharge stations, is not yet in place for the widespread adoption of the latter.

Manufacturers of four-wheelers and commercial vehicles in particular stress the importance of optimizing conventional combustion engines before experimenting too radically with costly new technologies.

## **6. USED CAR SALES:**

India's automobile industry is one of the fastest growing in the world and it is already the sixth largest globally. In contrast to the fall in sales in the new car market, India's pre-owned car market has witnessed a growth over the years.

The pre-owned market has been constantly growing with consumers seeing value in pre-owned vehicles. According to analysts also, there is a lot of room for growth in the pre-owned car market in India and there has been a lot of new players also come up in the recent past due to the same reason.

The COVID-19 pandemic had a minimal impact on the industry. With the increased number of people preferring individual mobility and more finance options infused into the used car market, the market is set to grow considerably. Reduced cash inflow due to the pandemic has forced buyers to look for alternatives other than new cars, and the used car industry has great growth potential in these terms. With the sales and production of new vehicles hindered due to the pandemic, the immediate option for the buyers is the used car market.

In last few months, there have been so many players coming to used car market, which has also helped to enhance reach of buyers, as well as sellers. With car parc of around 25 million in India, there is enough scope of growth in used car business. We will just say it's beginning for the used car market.

## **7. GST IMPACT:**

Implementation of GST reduced the cost of manufacturing of cars and bikes due to the subsuming of different taxes levied earlier. Under GST, the taxes are charged on consumption state rather than the origin state, which would give a boost to the growth rate of the automobile industry.



## **8. GST IMPACT ON USED CAR SALES:**

Good news seems to be in the offing for the used car market. The Company is eligible and registered under the compounding scheme to opt for payment of GST under the GST regime. Rate of tax shall be the rate as prescribed which is presently one percent of the taxable turnover during the year. This may boost our sales volume as well as benefit for the end users

## **9. OTHER RISKS:**

The company is exposed to market risk, credit risk and liquidity risk. The company's principal financial liabilities include trade and other payables. The company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

## **10. PRODUCT-WISE PERFORMANCE:**

During the year, the company has recorded turnover through used car alone to the tune of Rs.8,87,72,202/-

## **11. FINANCIAL PERFORMANCE:**

The company tapped the used car sales market during the year for augmenting the revenues of the company. In this regard, the company had entered into an arrangement with its Group Company M/s. Khivraj Motors Private Limited and M/s. Khivraj Vahan Private Limited for dealing in used cars sale. Consequently, the total income of the company was decreased from Rs.26,53,46,240/- to Rs.8,87,72,202/- due to outbreak of the COVID-19 pandemic and the company had also earned a profit before Tax of Rs.18,90,500/-.

## **12. MATERIAL DEVELOPMENT:**

The company would recruit people in the ensuing years. At present only three employees are in the role.

**For and on behalf of the Board of Directors  
Castle Traders Limited**

**Bharat Kumar Chordia  
Whole-time Director  
[DIN:00049455]**

**Ratnesh Kumar Agarwal  
Director  
[DIN:08477121]**

**Date: 29<sup>th</sup> June, 2021**

**Place: Chennai**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
Castle Traders Limited  
No. 617, Bharat Kumar Bhavan,  
Anna Salai, Chennai-600006

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Castle Traders Limited (CIN: L51909TN1983PLC045632)** and having registered office at No.617, Bharat Kumar Bhavan, Anna Salai, Chennai-600006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Directors	DIN	Designation	Date of appointment in Company
1	BHARAT KUMAR CHORDIA	00049455	Whole time Director	29/12/1994
2	RATNESH KUMAR AGRAWAL	08477121	Additional Director	09/11/2020
3	PRASSAN KUMARI CHORDIA	01955334	Director	30/03/2015
4	S. SAMPATHKUMAR	08832266	Director	25/09/2020
5	A. ANANDAKUMAR	09045884	Additional Director	08/02/2021

Ensuring the eligibility of for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai

Date : 29<sup>th</sup> June, 2021

UDIN:F004779C000553277

Signature:

Name: S. GANESAN  
Practicing Company Secretary  
FCS-: 4779/ CP No.8336

## **Independent Auditors' Report**

To

**The Members of  
Castle Traders Ltd.**

### **Report on the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **Castle Traders Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India of the state of affair of the Company as at 31st March, 2021, the profit and total comprehensive income, changes in equity and 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 Standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to communicate in our report.

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

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

## **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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and accounting principles generally accepted in India.

This responsibility also includes 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone 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 controls 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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 Companies Act, 2013 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 of the aforesaid standalone financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the standalone financial statements.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors as on 31.03.2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31.03.2021, from being appointed as a director as per the provisions of sub-section (2) of Section 164 of the Companies Act, 2013..
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Director's remuneration amounting to Rs.2,40,000 was paid by the Company to its directors during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There was no amount which was required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S.C. Ajmera & Co.**  
Chartered Accountants  
FRN 002908C

Place:- Udaipur  
Date:- 29.06.2021

Arun Sarupria – Partner  
M. No. 078398  
UDIN 21078398AAAABL2606

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

### (Referred to Para (1) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

The Annexure referred to in Independent Auditors' Report to the members of Castle Traders Ltd. ("the Company") on the standalone financial statements for the year ended 31 March, 2021.

We report that:

- i. According to information and explanation given to us, in respect of Fixed Assets
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. The Company has a program of physical verification of its fixed assets by which fixed assets are verified at reasonable intervals. In accordance with this program, fixed assets were verified during the year and discrepancies which were noticed on such verification were properly dealt with in the books of accounts.
  - c. According to the information and explanations given to us, the Company does not have immovable property and accordingly verification of its title deeds in the name of the company does not arise.
- ii. According to information and explanation given to us, in respect of Inventory
  - a. The physical verification of inventory has been conducted at reasonable intervals by the Management.
  - b. The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of company and the nature of its business.
  - c. The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stocks and book stocks were not material and the same have been properly dealt with in the books of accounts.
- iii. According to information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore requirement of clauses (iii) of the paragraph 3 of the order is not applicable to the company.
- iv. According to information and explanation given to us, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with as applicable.
- v. According to information and explanation given to us, the company has not accepted any deposits during the year as per the directives issued by the Reserve Bank of India and within the meaning of the provisions of sections 73 to 76 and other relevant provisions of Companies Act, 2013 and the rules framed there under, where applicable. Thus, the clause (v) of paragraph 3 of the order is not applicable to the company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. In respect of statutory dues
  - a. According to the information and explanations given to us, and on the basis of our examination, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Excise, Duty of Customs, Value Added Tax, Cess and any other statutory dues with appropriate authorities. As explained to us no undisputed amounts payable in respect of such statutory dues were in arrears, as at 31 March 2021 for a period of more than six (6) months from the date they became payable.

- b. According to the information and explanations given to us as at the balance sheet date, there are no dues of income tax, Goods and Service Tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, no managerial remuneration has been paid or provided during the year, hence the provisions of clause 3 (xi) of the order is not applicable to the Company.
- xii. The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the standalone Financial Statements etc. as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with them during the year.
- xvi. According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

**For S.C. Ajmera & Co.**  
Chartered Accountants  
FRN 002908C

Place:- Udaipur  
Date:- 29.06.2021

Arun Sarupria – Partner  
M. No. 078398  
UDIN 21078398AAAABL2606



## **Annexure 'B' to the Auditors' Report**

### ***Report on Internal Financial Controls over Financial Reporting***

#### **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 **Castle Traders Ltd.**("the Company") as of March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 management and directors of the company; and

3. Provide reasonable assurance regarding prevention or 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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 S.C. Ajmera & Co.**  
Chartered Accountants  
FRN 002908C

Place:- Udaipur  
Date:- 29.06.2021

Arun Sarupria – Partner  
M. No. 078398  
UDIN 21078398AAAABL2606

**Castle Traders Limited**  
**Balance sheet as at March 31, 2021**  
*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Notes	As at 31-Mar-2021	As at 31-Mar-2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	7,861	11,791
Financial assets			
(i) Investments	4	26,768,399	25,763,518
<b>Total non-current assets</b>		<b>26,776,260</b>	<b>25,775,308</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Inventories	17	878,360	-
(ii) Trade receivables	5	12,204,874	11,315,500
(iii) Cash and cash equivalents	6	1,576,004	126,140
Other Current Asset	7	480,124	566,855
Deferred tax Assets (net)	8	-	4,723,600
<b>Total current assets</b>		<b>15,139,362</b>	<b>16,732,095</b>
<b>Total Assets</b>		<b>41,915,621</b>	<b>42,507,404</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	9	2,450,000	2,450,000
Other equity	10	26,558,850	33,659,254
<b>Total equity</b>		<b>29,008,850</b>	<b>36,109,254</b>
<b>Non-current liabilities</b>			
Deferred tax Liability (net)	8	4,767,502	-
		<b>4,767,502</b>	-
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables			
Dues of small enterprises and micro enterprises			
micro enterprises	11	6,719,709	6,330,400
Current Tax Liability (Net)	12	270,742	-
Other current liabilities	13	1,148,818	67,750
<b>Total current liabilities</b>		<b>8,139,269</b>	<b>6,398,150</b>
<b>Total liabilities</b>		<b>8,139,269</b>	<b>6,398,150</b>
<b>Total Equity and Liabilities</b>		<b>41,915,621</b>	<b>42,507,404</b>

Statement on Significant Accounting Policies and Notes to the  
Financial Statements are an integral part of the financial statements.

As per our report of even date

**For S.C.AJMERA & Co**  
Chartered Accountants  
ICAI Firm Registration Number: 002908C

**For and on Behalf of the Board of Directors of  
Castle Traders Limited**

**Arun Sarupria**  
Partner  
Membership No.: 078398  
Place: Udaipur  
Date: 29th June, 2021

Bharat Kumar Chordia  
Whole time Director  
(DIN:00049455)

Ratnesh Kumar Agrawal  
Director  
(DIN:08477121)

Vijay Prasath  
Chief Financial Officer

R. Manoranjan  
Company Secretary

**Castle Traders Limited**  
**Statement of profit and loss for the year ended March 31, 2021**  
*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Notes	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<b>Income</b>			
Revenue from operations	14	88,772,202	265,346,240
Other income	15	80,633	59,523
<b>Total Income</b>		<b>88,852,835</b>	<b>265,405,763</b>
<b>Expenses</b>			
Purchase of traded goods	16	82,892,602	258,430,983
(Increase)/Decrease in inventories of finished goods	17	-878,360	-
Employee benefits expense	18	1,796,258	1,529,347
Finance costs	19	483	96,647
Depreciation and amortization expense	20	3,930	5,894
Other expenses	21	3,147,422	3,737,665
<b>Total expense</b>		<b>86,962,335</b>	<b>263,800,536</b>
<b>Profit before tax</b>		<b>1,890,500</b>	<b>1,605,227</b>
Current tax		504,683	417,444
Mat (credit)/Utilized		-	23,530
Deferred tax (net)		(216)	(22)
Income tax expense		<b>504,467</b>	<b>440,952</b>
<b>Profit for the year (I)</b>		<b>1,386,033</b>	<b>1,164,275</b>
<b>Other comprehensive income:</b>			
<b>(j) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Gain / (loss) on FVOCI equity securities (Net)		1,004,881	(16,249,113)
Deferred tax (net)		(9,491,317)	15,378,228
		<b>(8,486,436)</b>	<b>(870,886)</b>
<b>(ii) Other comprehensive income to be reclassified to profit or loss</b>			
		<b>-</b>	<b>-</b>
<b>Other comprehensive profit for the year, net of tax (II)</b>		<b>(8,486,436)</b>	<b>(870,886)</b>
<b>Total comprehensive income for the year, net of tax (I + II)</b>		<b>(7,100,403)</b>	<b>293,390</b>
Earnings per equity share of INR 10 each	22		
Basic and diluted		5.66	4.75
Nominal value per equity share (Rs)		10.00	10.00

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial statements.

As per our report of even date

**For S.C.AJMERA & Co**  
Chartered Accountants  
ICAI Firm Registration Number: 002908C

**For and on Behalf of the Board of Directors of  
Castle Traders Limited**

**Arun Sarupria**  
Partner  
Membership No.: 078398  
Place: Udaipur  
Date: 29th June, 2021

Bharat Kumar Chordia  
Whole time Director  
(DIN:00049455)

Ratnesh Kumar Agrawal  
Director  
(DIN:08477121)

Vijay Prasath  
Chief Financial Officer

R.Manoranjan  
Company Secretary

**Castle Traders Limited**  
**Cash flow statement for the year ended March 31, 2021**  
*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<b>Cash flow from operating activities</b>		
<b>Net Profit/(loss) before tax and extraordinary items</b>	1,890,500	1,605,227
Adjustments for:		
Depreciation	3,930	5,894
Dividend income	-	-
Finance costs	483	96,647
<b>Cash flows before working capital changes</b>	<b>1,894,913</b>	<b>1,707,768</b>
Adjustments for:		
Trade receivables	-889,374	-10,554,060
Other current assets	-5,124	70,974
Inventories	-878,360	-
Other current liabilities	1,081,068	-5,092
Trade payables	389,309	6,325,400
<b>Cash flows from operating activities</b>	<b>1,592,432</b>	<b>-2,455,010</b>
Direct taxes paid (net)	-142,086	-440,974
<b>Net cash flows from operating activities</b>	<b>A</b>	<b>-2,895,983</b>
<b>Cash flow used in investing activities</b>		
Purchase of Fixed Assets	-	-
Dividend received	-	-
<b>Net cash used in investing activities</b>	<b>B</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares		
Interest paid	-483	-96,647
<b>Net cash from financing activities</b>	<b>C</b>	<b>-96,647</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>-2,992,630</b>
Opening balance of cash and cash equivalents	D	3,118,771
Closing balance of cash and cash equivalents	E	126,140
<b>Net decrease in cash and cash equivalents</b>	<b>(E-D)</b>	<b>-2,992,631</b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial

As per our report of even date

**For S.C.AJMERA & Co**  
Chartered Accountants  
ICAI Firm Registration Number: 002908C

**For and on Behalf of the Board of Directors of  
Castle Traders Limited**

**Arun Sarupria**  
Partner  
Membership No.: 078398  
Place: Udaipur  
Date: 29th June, 2021

Bharat Kumar Chordia  
Whole time Director  
(DIN:00049455)

Ratnesh Kumar Agrawal  
Director  
(DIN:08477121)

Vijay Prasath  
Chief Financial Officer

R.Manoranjan  
Company Secretary

**Castle Traders Limited****Statement of changes in equity for the year ended March 31, 2021***(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Equity		Reserves & Surplus		Other Comprehensive income	Total Other Equity	Total Equity
	Number of Shares	Equity Share Capital	General Reserve	Retained earnings	Equity instruments through OCI		
<b>As at March 31, 2019</b>	<b>245,000</b>	<b>2,450,000</b>	<b>590,000</b>	<b>4,723,464</b>	<b>28,052,400</b>	<b>33,365,864</b>	<b>35,815,864</b>
Profit for the year	-	-	-	1,164,275	-870,886	293,390	293,390
Previous year taxes paid	-	-	-	-	-	-	-
MAT Credit Adjustment	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>245,000</b>	<b>2,450,000</b>	<b>590,000</b>	<b>5,887,739</b>	<b>27,181,515</b>	<b>33,659,254</b>	<b>36,109,254</b>
Profit for the year	-	-	-	1,386,033	-8,486,436	(7,100,403)	(7,100,403)
Previous year taxes paid	-	-	-	-	-	-	-
MAT Credit Adjustment	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>245,000</b>	<b>2,450,000</b>	<b>590,000</b>	<b>7,273,772</b>	<b>18,695,079</b>	<b>26,558,850</b>	<b>29,008,850</b>

As per our report of even date

**For S.C.AJMERA & Co**

Chartered Accountants

ICAI Firm Registration Number: 002908C

**Arun Sarupria**

Partner

Membership No.: 078398

Place: Udaipur

Date: 29th June, 2021

**For and on Behalf of the Board of Directors of****Castle Traders Limited**

Bharat Kumar Chordia

Whole time Director

(DIN:00049455)

Ratnesh Kumar Agrawal

Director

(DIN:08477121)

Vijay Prasath

Chief Financial Officer

R.Manoranjan

Company Secretary

## Castle Traders Limited

### Notes to Financial Statements for the year ended March 31, 2021

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

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#### 1. Corporate Information

Castle Traders Limited ("the Company") is engaged in the business of trading goods, shares and securities. The Company in the previous year has amended its Articles of Association to include the sale of used cars as an business activity. The Company has commenced its operations towards the sale of used cars from the previous year.

The Company is a public limited company incorporated and domiciled in India and has its registered office at "Bharat Kumar Bhavan" 617, Anna Salai, Chennai - 600 006, Tamil Nadu, India.

The Company has its primary listings on the Metropolitan Stock Exchange of India Limited.

The financial statements are approved for issue by the Company's Board of Directors on 29th June, 2021.

#### 2. Preparation and Presentation of Financial Statements

##### 2.1 Basis of Preparation and measurement

###### Basis of preparation

These financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The presentation of the Financial Statements is based on Ind AS Schedule III, which are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

###### Basis of measurement

The financial statements have been prepared under the historical cost convention, on the accrual basis except for certain financial instruments which are measured at fair values.

All assets and liabilities are classified into current and noncurrent generally based on the nature of product/activities of the Company and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

###### Estimation of uncertainties relating to the global health pandemic from COVID-19

The spread of COVID-19 virus across the globe and in India has contributed a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The govt of India declared nation wide lock down effective from 25th March, 2020 and further extended the lock down till 31st May, 2020.

The Company's trading business remained shut from 25th March, 2020 due to lockdown and partially re-opened w.e.f. 12th May, 2020, which has impacted its trading/operations during April and May' 2020. There were no sales during April and very minimal in May 2020. The Company has restarted its trading/operations in considering the order book and available workforce, since 12th May, 2020 adhering to the Safety norms prescribed by Government of India

April - June' 2020 being lockdown months, the revenues and profitability of the Company are likely to be adversely impacted in the 1st quarter of 2020. As the Company is fully depends on end customers and the business situation is very dynamic, the same is being monitored closely. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

The Company's capital and Banking facilities remain intact. There are no liquidity concerns as we have sufficient unutilized Banking limits available.

## 2.2 Summary of Significant Accounting Policies

### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
  - It is held primarily for the purpose of trading;
  - It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

### b. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
  - In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1 - Quoted (unadjusted) market price in active markets for identical assets or liabilities.
- > Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements.



### c. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### i. Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and collectability of resulting receivable. The company generally recognises revenue on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is

#### ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.

#### iii. Dividend income

Dividend income is recognised when the right to receive the dividend is established.

#### iv. Profit on sale of investments

Profit on sale of investment is recognised only at the time when the investments are realised.

### d. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Traded goods: Cost is ascertained on a weighted average basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are written down for obsolete/slow moving/non-moving items wherever necessary.

### e. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of amounts required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extreme rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### f. Taxes

#### Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for Financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or

## g. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## h. Property, plant and equipment

i) Recognition and measurement: Property, plant and equipment including bearer assets are carried at historical cost of acquisition or deemed cost less accumulated depreciation and accumulated impairment loss, if any.

Historical cost includes its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognized. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

ii) Depreciation: Depreciation is provided on assets to get the initial cost down to the residual value. Depreciation is provided on a written down value basis over the estimated useful life of the asset or as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset. Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Estimated useful life of items of Property, Plant and Equipment are as follows:

S No	Assets	Useful life As per Schedule II of the Act (in Year)	Actual useful life considered (In Years)
1	Computers	3	3

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

## **Impairment of tangible and intangible assets carried at cost**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending only for changes in assumptions or internal/external factors.

### **i. Leases**

Company as a Lessee (IND AS 116)

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are recognised as Leases for all leases above 12 months, unless the underlying asset is of low value. Assets classified are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to

### **j. Earnings per Share**

The Company presents basic and diluted earnings per share data for its equity shares. Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

### **k. Financial Instruments**

#### **Financial assets**

The Company classifies its financial assets in the following categories:

i) Financial assets at amortised cost- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as noncurrent assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 month period, carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent

ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) – All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in Other Comprehensive Income (OCI). The accumulated gains or losses are recognised in OCI are reclassified to retained earnings on sale of such investment.

iii) Financial assets at Fair Value through Profit and loss (FVTPL) - Financial assets which are not classified in any of the categories above measured at FVTPL. These include surplus funds invested in mutual funds etc.

iv) Impairment of financial assets - The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be

#### **Financial liabilities**

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs. Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these

Castle Traders Limited

Notes to Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees unless otherwise stated)

3 Property Plant & Equipment

Particulars	Building and structures	Vehicles	Computer	Total Property Plant & Equipment
<b>Gross Carrying Value as at 31-Mar-2019</b>	<b>13,220</b>	<b>193</b>	<b>23,200</b>	<b>36,613</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Gross Carrying Value as at 31-Mar-2020</b>	<b>13,220</b>	<b>193</b>	<b>23,200</b>	<b>36,613</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Gross Carrying Value as at 31-Mar-2021</b>	<b>13,220</b>	<b>193</b>	<b>23,200</b>	<b>36,613</b>
<b>Accumulated Depreciation/Amortization as on 31 March 2019</b>	<b>13,220</b>	<b>193</b>	<b>5,515</b>	<b>18,928</b>
Depreciation for the year	-	-	5,894	5,894
Depreciation on Deletions	-	-	-	-
<b>Accumulated Depreciation/Amortization as at 31 March 2020</b>	<b>13,220</b>	<b>193</b>	<b>11,409</b>	<b>24,822</b>
Depreciation for the year	-	-	3,930	3,930
Depreciation on Deletions	-	-	-	-
<b>Accumulated Depreciation/Amortization as at 31 March 2021</b>	<b>13,220</b>	<b>193</b>	<b>15,339</b>	<b>28,752</b>
<b>Carrying Value as at 31-Mar-2019</b>	<b>-</b>	<b>-</b>	<b>17,685</b>	<b>17,685</b>
<b>Carrying Value as at 31-Mar-2020</b>	<b>-</b>	<b>-</b>	<b>11,791</b>	<b>11,791</b>
<b>Carrying Value as at 31-Mar-2021</b>	<b>-</b>	<b>-</b>	<b>7,861</b>	<b>7,861</b>

4 Investments

Particulars	Face Value of Each Share (Rs.)	Number of Share	2021		2020		2019	
			Current	Non Current	Current	Non Current	Current	Non Current
<b>Investments at fair value through OCI (fully paid)</b>								
<b>Investments in Quoted Equity Instruments</b>								
Arihant Securities Limited (Cost Value Rs.6,30,060/-)	10.00	475,000		1,719,500	-	3,087,500	-	3,800,000
<b>Aggregate Amount of Quoted Investments</b>				<b>1,719,500</b>	<b>-</b>	<b>3,087,500</b>	<b>-</b>	<b>3,800,000</b>
<b>Investments in Unquoted Equity Instruments</b>								
Ultraplus Housing Estates Private limited	10.00	57,900		24,201,398	-	21,814,607	-	37,188,868
Olympia Merlin Developers Private Limited	10.00	125,000		1	-	13,910	-	176,263
<b>Investments carried at Cost</b>								
<b>Associate Company</b>								
Navratan Property Holdings Private limited	10.00	8,390,250		847,500	-	847,500	-	847,500
<b>Aggregate Amount of Unquoted Investments</b>				<b>25,048,899</b>	<b>-</b>	<b>22,676,018</b>	<b>-</b>	<b>38,212,631</b>
				<b>26,768,399</b>	<b>-</b>	<b>25,763,518</b>	<b>-</b>	<b>42,012,631</b>

**Castle Traders Limited**

**Notes to Financial Statements for the year ended March 31, 2021**

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

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>5 Trade Receivables</b>		
Unsecured considered good		
Unsecured considered good - Receivable from related party		
< 6 Months	12,204,874	11,315,500
	<b>12,204,874</b>	<b>11,315,500</b>

The credit worthiness of trade debtors and the credit terms set are determined on a case to case basis. Based on the above, there is a low credit risk on Trade Receivables.

The fair values of trade receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when they become overdue.

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>6 Cash and Cash Equivalents</b>		
Balances with banks:		
– On current accounts	1,576,004	126,140
	<b>1,576,004</b>	<b>126,140</b>

	<b>31-Mar-2021</b>	<b>31-Mar-2020</b>
<b>7 Other Current Asset</b>		
Tax Refund Receivable	475,000	566,855
Prepaid Expenses	5,124	-
	<b>480,124</b>	<b>566,855</b>

	<b>31-Mar-2021</b>	<b>31-Mar-2020</b>
<b>8 Deferred Tax Asset / (Liability)</b>		
On difference between book balance and tax balance of property, plant	(741)	(957)
On fair valuation of investments through OCI	(4,766,761)	4,724,557
	<b>(4,767,502)</b>	<b>4,723,600</b>

**Castle Traders Limited****Notes to Financial Statements for the year ended March 31, 2021***(All amounts are in Indian rupees unless otherwise stated)*

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>9 Equity share capital</b>		
<b>Authorised capital</b>		
2,45,000 (March 31,2020: 2,45,000) equity shares of INR 10 each	2,450,000	2,450,000
Increase during the year	-	-
	<b>2,450,000</b>	<b>2,450,000</b>
<b>Issued, subscribed and fully paid-up capital</b>		
2,45,000 (March 31,2020: 2,45,000) equity shares of INR 10 each	2,450,000	2,450,000
	<b>2,450,000</b>	<b>2,450,000</b>

**(i) Details of Shareholders holding more than 5 percent shares in the Company:**

<b>Name of shareholder</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
	<b>No of shares</b>	<b>No of shares</b>
Khivraj Holdings Private Limited	31,500	31,500
% of Holding	12.86%	12.86%
Bharat Kumar Chordia	34,500	34,500
% of Holding	14.08%	14.08%

**(ii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
	<b>No of shares</b>	<b>No of shares</b>
<b>Number of shares as at 1st April</b>	245,000	245,000
Issued during the year	-	-
<b>Number of shares as at 31st March</b>	<b>245,000</b>	<b>245,000</b>

**(iii) Term/Rights attached to equity shares**

The Company has one class of equity shares having a par value of ₹10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

10 Other equity	As at 31-Mar-2021	As at 31-Mar-2020
General reserve	590,000	590,000
Retained earnings	7,273,772	5,887,739
<b>Other reserves</b>		
Equity Instruments through Other Comprehensive Income	18,695,079	27,181,514
<b>Total other equity</b>	<b>26,558,850</b>	<b>33,659,254</b>

Particulars	Amount
-------------	--------

**General reserve**

At March 31, 2019	590,000
Add: Amount transferred during the year	-
At March 31, 2020	590,000
Add: Amount transferred during the year	-
At March 31, 2021	<b>590,000</b>

**Retained Earnings**

At March 31, 2019	4,723,464
Add: Profit for the year	1,164,275
At March 31, 2020	5,887,739
Add: Profit for the year	<b>1,386,033</b>
At March 31, 2021	<b>7,273,772</b>

**Equity Instruments through Other Comprehensive Income**

At March 31, 2019	28,052,400
Add: Impact during the year	(870,886)
At March 31, 2020	27,181,514
Add: Impact during the year	(8,486,436)
At March 31, 2021	<b>18,695,079</b>

11 Trade Payables	As at 31-Mar-2021	As at 31-Mar-2020
Dues to Micro, Small & Medium Enterprises	-	-
Dues to Related Party	-	-
Dues to other than Micro, Small & Medium Enterprises < 1 year	6,719,709	6,330,400
	<b>6,719,709</b>	<b>6,330,400</b>

12 Current Tax Liability (Net)	As at 31-Mar-2021	As at 31-Mar-2021
Provision for Income Tax(Net of Advance Tax & TDS)	270,742	-
	<b>270,742</b>	-

13 Other Current Liabilities	As at 31-Mar-2021	As at 31-Mar-2020
Statutory dues	78,376	17,750
Accrued Expenses Payable	1,070,442	50,000
	<b>1,148,818</b>	<b>67,750</b>

Castle Traders Limited

Notes to Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees unless otherwise stated)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<b>14 Revenue from Operations</b>		
Sale of Traded Goods	88,772,202	265,346,240
	<b>88,772,202</b>	<b>265,346,240</b>
<b>15 Other Income</b>		
Other income	80,633	59,523
	<b>80,633</b>	<b>59,523</b>
<b>16 Purchase of Traded Goods</b>		
Purchase of Traded Goods	79,365,700	257,122,260
Others	3,526,902	1,308,723
	<b>82,892,602</b>	<b>258,430,983</b>
<b>17 Changes in inventories of Stock-in-trade</b>		
<b>Closing stock</b>		
Stock-in-trade - Vehicles(Used)	878,360	-
	<b>878,360</b>	-
<b>Opening stock</b>		
Stock-in-trade - Vehicles(Used)	-	-
	-	-
<b>Increase / (Decrease) in inventories</b>	<b>878,360</b>	-
	<b>-878,360</b>	-
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus	1,556,258	1,289,347
Directors remuneration	240,000	240,000
	<b>1,796,258</b>	<b>1,529,347</b>



	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>19 Finance costs</b>		
Interest expense	107	63,276
Bank charges	376	-
Processing Charges	-	33,371
	<b>483</b>	<b>96,647</b>

	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>20 Depreciation and amortization expense</b>		
Depreciation of tangible assets (Refer Note 3)	3,930	5,894
	<b>3,930</b>	<b>5,894</b>

	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>21 Other expenses</b>		
Commission	895,172	312,000
Books and Periodicals	-	4,121
Discount paid	133,420	259,440
Delivery expenses	142,813	-
Professional charges	961,409	1,652,290
Rent expenses	120,000	120,000
Sitting fees	100,000	110,000
Business promotion	-	73,225
Repairs and Maintenance	194,061	271,685
Rates and taxes	113,843	155,167
Filling Fees	129,739	72,984
Printing and Stationery	6,160	17,381
Miscellaneous expenses	25,169	51,314
Security service charges	162,462	564,920
Sales Promotion	11,800	-
Insurance paid	56,374	23,137
Audit fees(Refer note (a) below)	95,000	50,000
	<b>3,147,422</b>	<b>3,737,665</b>

	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>Note (a):</b>		
<b>As auditor:</b>		
Statutory Audit fee	50,000	50,000
Limited Review Fees	45,000	-
<b>Total</b>	<b>95,000</b>	<b>50,000</b>

## Castle Traders Limited

### Notes to Financial Statements for the year ended March 31, 2021

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

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## 22 Earnings Per Share

The Company presents basic and diluted earnings per share data for its equity shares. Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-21	31-Mar-20
Profit after tax	1,386,033	1,164,275
Weighted average number of shares		
- Basic	245,000	245,000
- Diluted	245,000	245,000
Profit per share of Rs.10 each		
- Basic	5.66	4.75
- Diluted	5.66	4.75

## 23 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Castle Traders Limited

Notes to Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees unless otherwise stated)

24 Financial Instruments - Accounting Classification and Fair Values

Financial Instruments

Accounting Classification and Fair Values

March 31, 2021		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Quoted Equity Investments	Non Current	-	1,719,500	-	1,719,500	1,719,500	-	-	1,719,500
Unquoted Equity Investments Associate	Non Current	-	-	847,500	847,500	-	-	-	-
Unquoted Equity Investments Others	Non Current	-	24,201,399	-	24,201,399	-	24,201,399	-	24,201,399
Trade receivables	Current	-	-	12,204,874	12,204,874	-	-	-	-
Cash and cash equivalents	Current	-	-	1,576,004	1,576,004	-	-	-	-
<b>Total Financial Assets</b>			<b>25,920,899</b>	<b>14,628,378</b>	<b>40,549,277</b>	<b>1,719,500</b>	<b>24,201,399</b>	-	<b>25,920,899</b>
<b>Financial Liabilities</b>									
Trade payables	Current	-	-	6,719,709	6,719,709	-	-	-	-
<b>Total Financial Assets</b>			-	<b>6,719,709</b>	<b>6,719,709</b>	-	-	-	-

  

March 31, 2020		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Quoted Equity Investments	Non Current	-	3,087,500	-	3,087,500	3,087,500	-	-	3,087,500
Unquoted Equity Investments Associate	Non Current	-	-	847,500	847,500	-	-	-	-
Unquoted Equity Investments Others	Non Current	-	21,828,518	-	21,828,518	-	21,828,518	-	21,828,518
Trade receivables	Current	-	-	11,315,500	11,315,500	-	-	-	-
Cash and cash equivalents	Current	-	-	126,140	126,140	-	-	-	-
<b>Total Financial Assets</b>			<b>24,916,018</b>	<b>12,289,140</b>	<b>37,205,158</b>	<b>3,087,500</b>	<b>21,828,518</b>	-	<b>24,916,018</b>
<b>Financial Liabilities</b>									
Trade payables	Current	-	-	6,330,400	6,330,400	-	-	-	-
<b>Total Financial Assets</b>			-	<b>6,330,400</b>	<b>6,330,400</b>	-	-	-	-

Measurement of fair values

The basis of measurement in respect to each class of financial asset and financial liability is disclosed in Note 2.2 (b) of Significant Accounting Policies

The Company uses Audited Balance Sheet as on 31st March, 2020 of the Invested Companies for purpose of Fair Valuation of unquoted equities and Computation of fair value through OCI.

**Castle Traders Limited****Notes to Financial Statements for the year ended March 31, 2021***(All amounts are in Indian rupees unless otherwise stated)***25 Related Party Transactions**

As per Ind AS 24 on related party disclosures issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party as detailed in the Accounting Standard are given below:

**a. Name of the related parties**

Associate	Navaratan Property Holdings Private limited
Key management personnel	Bharat Kumar Chordia - Whole Time Director R. Manoranjan - Company Secretary Vijay Prasath - Chief Financial Officer
Other Directors:	Angalappan Anandakumar - Director Prassan Kumari Chordia - Director Ratnesh Kumar Agrawal - Director Sundaresan Sampathkumar - Director

**b. Transactions with related parties**

Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related party disclosures has significant influence over the entities -

Name of the related party	31-Mar-21	31-Mar-20
1 Khivraj Motors Private Limited		
Transactions during the year		
Sale of clothes	-	216,000
Purchase of cars	59,011,500	-
Sale of cars	-	206,135,000
Closing balance	12,204,874	11,355,500
2 Khivraj Vahan Private Limited		
Transactions during the year		
Purchase of cars	21,032,200	57,532,760
Closing balance	-	-40,000
3 Bharat Kumar Chordia		
Transactions during the year		
Sitting Fee	24,625	-
Rent paid	120,000	120,000
Closing balance	-	-
4 Prassan Kumari Chordia		
Transactions during the year		
Sitting Fee	14,250	-
Closing balance	-	-

## **26 Segment Information**

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design and manufacture of products. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

## **27 Financial risk management objectives and policies**

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and credit risk. The Company is not exposed to interest rate risk as it doesn't have any borrowings.

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk as it has no outstanding borrowings at the end

### **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to any of the foreign currency risk since it does not have any foreign currency transactions.

### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Company's exposure to credit risk is limited to its operating activities with respect to specified markets (primarily for trade receivables), where the Company sells their products on credit.

The Company evaluates the concentration of risk with respect to trade receivables as low, as the Company has limited set of customers in local jurisdiction.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy due diligence by the management.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts.

### **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements. The Company monitors its risk to a shortage of funds using its forecasts. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

The Company's prime source of liquidity is cash and cash equivalents. The Company invests its surplus funds in bank & fixed deposit and in equity of other companies (Quoted and Unquoted) which carry minimal mark to market risks.

## Castle Traders Limited

### Notes to Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees unless otherwise stated)

#### 28 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. In the event that the Company requires additional capital, monies would be infused by the shareholders to provide appropriate financial support to the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company less the fair value adjustment reserve. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Capital includes debt and equity items as disclosed in the table below

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Borrowings	-	-
Less: cash and cash equivalents	-1,576,004	-126,140
<b>Net debt</b>	<b>1,576,004</b>	<b>126,140</b>
Equity	29,008,850	36,109,254
<b>Capital and net debt</b>	<b>27,432,847</b>	<b>35,983,113</b>
Gearing ratio	NA	NA

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

#### 29 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

### 30 Events after the reporting period

There has been no significant subsequent events after the reporting period requiring either disclosure or adjustment to the reported financial statements.

### 31 Previous years figures

Previous year's figures have been regrouped and reclassified where necessary to conform to this year's classification. During the year, the company has reworded its Significant Accounting Policies and there is no change in Accounting Policies from last year. Accounting Policies were reworded for better presentation.

As per our report of even date

#### For S.C.AJMERA & Co

Chartered Accountants

ICAI Firm Registration Number: 002908C

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

Castle Traders Limited

#### Arun Sarupria

Partner

Membership No.: 078398

Place: Udaipur

Date: 29th June, 2021

Bharat Kumar Chordia

Whole time Director

(DIN:00049455)

Ratnesh Kumar Agraw

Director

(DIN:08477121)

Vijay Prasath

Chief Financial Officer

R.Manoranjan

Company Secretary

## Independent Auditors' Report

To,

**The Members of  
Castle Traders Limited**

### **Report on the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **Castle Traders Ltd.** ("the Company") and its associate Company (the Company and its associates referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the accounting principles generally accepted in India of the state of affair of the Group as at 31<sup>st</sup> March, 2021, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies/entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors of the Company's either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

### **Other Matters**

We did not audit the financial statements of the associate company, whose Share of profit (including other comprehensive income) of Rs.5,92,63,178 for the year ended as considered in the consolidated financial statements. These financial statements have been audited by Other Independent Auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of Section 143 (3) of the Companies Act, 2013, in so far as it relates to the aforesaid associate company is based solely on the reports of the Other Independent Auditors.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

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

1. As required by Section 143 (3) of the Companies Act, 2013, 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 of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated 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 of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and as per information furnished by the management in respect of associate company none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
Director's remuneration amounting to Rs. 2,40,000 was paid by the Company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There was no amount which was required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S.C. Ajmera & Co.**  
Chartered Accountants  
FRN 002908C

Place:- Udaipur  
Date:- 29.06.2020

Arun Sarupria – Partner  
M. No. 078398  
UDIN 21078398AAAABM5473

## **Annexure 'A' to the Auditors' Report**

### ***Report on Internal Financial Controls over Financial Reporting***

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Castle Traders Ltd. ("the Company") and its subsidiaries, its associates and jointly controlled entities, (the Company, its subsidiaries, its associates and jointly controlled entities referred to as "the Group") as of that date.

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

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

#### **Auditors' Responsibility**

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or 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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Group, have in all material respects except for the effects of the matters described in the Basis for opinion paragraph above, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate company is based on is based solely on the reports of the Other Independent Auditors.

Our opinion on an adequate internal financial controls system over financial reporting, is not modified in respect of the above matters.

**For S.C. Ajmera & Co.**  
Chartered Accountants  
FRN: 002908C

Place:- Udaipur  
Date:-29.06.2021

Arun Sarupria-Partner  
M. No. 078398  
UDIN 21078398AAAABM5473

**Castle Traders Limited**  
**Consolidated Balance sheet as at March 31, 2021**  
*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Notes	As at 31-Mar-2021	As at 31-Mar-2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	7,861	11,791
Financial assets			
(i) Investments	4	163,851,397	103,583,337
<b>Total non-current assets</b>		<b>163,859,257</b>	<b>103,595,128</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Inventories	17	878,360	-
(ii) Trade receivables	5	12,204,874	11,315,500
(iii) Cash and cash equivalents	6	1,576,004	126,140
Other Current Asset	7	480,124	566,855
Deferred tax Assets (net)	8	-	4,723,600
<b>Total current assets</b>		<b>15,139,362</b>	<b>16,732,095</b>
<b>Total Assets</b>		<b>178,998,619</b>	<b>120,327,223</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	9	2,450,000	2,450,000
Other equity	10	163,641,848	111,479,073
<b>Total equity</b>		<b>166,091,848</b>	<b>113,929,073</b>
<b>Non-current liabilities</b>			
Deferred tax Liability (net)	8	4,767,502	-
		<b>4,767,502</b>	-
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables			
Dues of small enterprises and micro enterprises			
Dues of creditors other than small enterprises and micro enterprises	11	6,719,709	6,330,400
Current Tax Liability (Net)	12	270,742	-
Other current liabilities	13	1,148,818	67,750
<b>Total current liabilities</b>		<b>8,139,269</b>	<b>6,398,150</b>
<b>Total liabilities</b>		<b>12,906,771</b>	<b>6,398,150</b>
<b>Total Equity and Liabilities</b>		<b>178,998,619</b>	<b>120,327,223</b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial statements.

As per our report of even date

**For S.C.AJMERA & Co**  
Chartered Accountants  
ICAI Firm Registration Number: 002908C

**For and on Behalf of the Board of Directors of  
Castle Traders Limited**

**Arun Sarupria**  
Partner  
Membership No.: 078398  
Place: Udaipur  
Date: 29th June, 2021

Bharat Kumar Chordia  
Whole time Director  
(DIN:00049455)

Ratnesh Kumar Agrawal  
Director  
(DIN:08477121)

Vijay Prasath  
Chief Financial Officer

R.Manoranjan  
Company Secretary

**Castle Traders Limited**  
**Consolidated Statement of profit and loss for the year ended March 31, 2021**  
*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Notes	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<b>Income</b>			
Revenue from operations	14	88,772,202	265,346,240
Other income	15	80,633	59,523
<b>Total Income</b>		<b>88,852,835</b>	<b>265,405,763</b>
<b>Expenses</b>			
Purchase of traded goods	16	82,892,602	258,430,983
(Increase)/Decrease in inventories of finished goods	17	-878,360	-
Employee benefits expense	18	1,796,258	1,529,347
Finance costs	19	483	96,647
Depreciation and amortization expense	20	3,930	5,894
Other expenses	21	3,147,422	3,737,665
<b>Total expense</b>		<b>86,962,335</b>	<b>263,800,536</b>
<b>Profit before tax</b>		<b>1,890,500</b>	<b>1,605,227</b>
Current tax		504,683	417,444
Mat (credit)/Utilized		-	23,530
Deferred tax (net)		(216)	(22)
Income tax expense		<b>504,467</b>	<b>440,952</b>
		<b>1,386,033</b>	<b>1,164,275</b>
<b>Add: Share of profit/(loss) from Associate for the year</b>		<b>59,532,632</b>	<b>(5,513,957)</b>
<b>Profit for the year (I)</b>		<b>60,918,665</b>	<b>(4,349,682)</b>
<b>Other comprehensive income:</b>			
<b>(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Gain / (loss) on FVOCI equity securities (Net)		1,004,881	(16,249,114)
Deferred tax (net)		(9,491,317)	15,378,228
		<b>(8,486,436)</b>	<b>(870,886)</b>
<b>Add: Share of OCI profit/(loss) from Associate for the year</b>		<b>(346,591)</b>	<b>(76,341)</b>
Deferred tax (net)		77,138	16,991
		<b>(269,454)</b>	<b>(59,350)</b>
<b>(ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
<b>Other comprehensive profit for the year, net of tax (II)</b>		<b>(8,755,890)</b>	<b>(930,236)</b>
<b>Total comprehensive income for the year, net of tax (I + II)</b>		<b>52,162,775</b>	<b>(5,279,918)</b>
Earnings per equity share of INR 10 each	22		
Basic and diluted		248.65	(17.75)
Nominal value per equity share (Rs)		10.00	10.00

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial statements.

As per our report of even date

**For S.C.AJMERA & Co**  
Chartered Accountants  
ICAI Firm Registration Number: 002908C

**For and on Behalf of the Board of Directors of  
Castle Traders Limited**

**Arun Sarupria**  
Partner  
Membership No.: 078398  
Place: Udaipur  
Date: 29th June, 2021

Bharat Kumar Chordia  
Whole time Director  
(DIN:00049455)

Ratnesh Kumar Agrawal  
Director  
(DIN:08477121)

Vijay Prasath  
Chief Financial Officer

R.Manoranjan  
Company Secretary

**Castle Traders Limited**  
**Consolidated Cash flow statement for the year ended March 31, 2021**  
*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<b>Cash flow from operating activities</b>		
<b>Net Profit/(loss) before tax and extraordinary items</b>	1,890,500	1,605,227
Adjustments for:		
Depreciation	3,930	5,894
Dividend income	-	-
Finance costs	483	96,647
<b>Cash flows before working capital changes</b>	<b>1,894,913</b>	<b>1,707,768</b>
Adjustments for:		
Trade receivables	-889,374	-10,554,060
Other current assets	-5,124	70,974
Inventories	-878,360	-
Other current liabilities	1,081,068	-5,092
Trade payables	389,309	6,325,400
<b>Cash flows from operating activities</b>	<b>1,592,432</b>	<b>-2,455,010</b>
Direct taxes paid (net)	-142,086	-440,974
<b>Net cash flows from operating activities</b>	<b>1,450,346</b>	<b>-2,895,983</b>
	<b>A</b>	
<b>Cash flow used in investing activities</b>		
Purchase of Fixed Assets	-	-
Dividend received	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
	<b>B</b>	
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares		
Interest paid	-483	-96,647
<b>Net cash from financing activities</b>	<b>-483</b>	<b>-96,647</b>
	<b>C</b>	
<b>Net decrease in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>1,449,863</b>
		<b>-2,992,630</b>
Opening balance of cash and cash equivalents	D	126,140
		3,118,771
Closing balance of cash and cash equivalents	E	1,576,004
		126,140
<b>Net decrease in cash and cash equivalents</b>	<b>(E-D)</b>	<b>1,449,863</b>
		<b>-2,992,631</b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial statements.

As per our report of even date

**For S.C.AJMERA & Co**  
Chartered Accountants  
ICAI Firm Registration Number: 002908C

**For and on Behalf of the Board of Directors of  
Castle Traders Limited**

**Arun Sarupria**  
Partner  
Membership No.: 078398  
Place: Udaipur  
Date: 29th June, 2021

Bharat Kumar Chordia  
Whole time Director  
(DIN:00049455)

Ratnesh Kumar Agrawal  
Director  
(DIN:08477121)

Vijay Prasath  
Chief Financial Officer

R.Manoranjan  
Company Secretary



**Castle Traders Limited**

**Consolidated Statement of changes in equity for the year ended March 31, 2021**

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

Particulars	Equity		Reserves & Surplus			Other Comprehensive income	Total Other Equity	Total Equity
	Number of Shares	Equity Share Capital	General Reserve	Retained earnings	Capital Reserve	Equity instruments through OCI		
<b>As at March 31, 2019</b>	<b>245,000</b>	<b>2,450,000</b>	<b>590,000</b>	<b>4,351,552</b>	<b>83,765,039</b>	<b>28,052,400</b>	<b>116,758,991</b>	<b>119,208,991</b>
Profit for the year	-	-	-	(4,349,682)		-930,236	(5,279,918)	(5,279,918)
Previous year taxes paid	-	-	-	-		-	-	-
MAT Credit Adjustment	-	-	-	-		-	-	-
<b>As at March 31, 2020</b>	<b>245,000</b>	<b>2,450,000</b>	<b>590,000</b>	<b>1,870</b>	<b>83,765,039</b>	<b>27,122,164</b>	<b>111,479,073</b>	<b>113,929,073</b>
Profit for the year	-	-	-	60,918,665		-8,755,890	52,162,775	52,162,775
Previous year taxes paid	-	-	-	-		-	-	-
MAT Credit Adjustment	-	-	-	-		-	-	-
<b>As at March 31, 2021</b>	<b>245,000</b>	<b>2,450,000</b>	<b>590,000</b>	<b>60,920,535</b>	<b>83,765,039</b>	<b>18,366,274</b>	<b>163,641,848</b>	<b>166,091,848</b>

As per our report of even date

**For S.C.AJMERA & Co**

Chartered Accountants

ICAI Firm Registration Number: 002908C

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

**Castle Traders Limited**

**Arun Sarupria**

Partner

Membership No.: 078398

Place: Udaipur

Date: 29th June, 2021

Bharat Kumar Chordia

Whole time Director

(DIN:00049455)

Ratnesh Kumar Agrawal

Director

(DIN:08477121)

Vijay Prasath

Chief Financial Officer

R.Manoranjan

Company Secretary

## **Castle Traders Limited**

### **Notes to Consolidated Financial Statements for the year ended March 31, 2021**

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

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#### **1. Corporate Information**

Castle Traders Limited ("the Company") is engaged in the business of trading goods, shares and securities. The Company in the previous year has amended its Articles of Association to include the sale of used cars as an business activity. The Company has commenced its operations towards the sale of used cars from the previous year.

The Company is a public limited company incorporated and domiciled in India and has its registered office at "Bharat Kumar Bhavan" 617, Anna Salai, Chennai - 600 006, Tamil Nadu, India.

The Company has its primary listings on the Metropolitan Stock Exchange of India Limited.

The Consolidated Financial Statements are approved for issue by the Company's Board of Directors on 29th June, 2021.

#### **2. Preparation and Presentation of Consolidated Financial Statements**

##### **2.1 Basis of Preparation and measurement**

###### **Basis of preparation**

These Consolidated Financial Statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The presentation of the Consolidated Financial Statements is based on Ind AS Schedule III, which are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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

###### **Basis of measurement**

The Consolidated Financial Statements have been prepared under the historical cost convention, on the accrual basis except for certain financial instruments which are measured at fair values.

All assets and liabilities are classified into current and noncurrent generally based on the nature of product/activities of the Company and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent.

The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

###### **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the company's share of profits, net assets and retained post acquisition reserves of associate that are consolidated using the equity or proportionate method of consolidation, as applicable.

Wherever necessary, adjustments are made to the financial statements of associate to bring their accounting policies in line with those used by other members of the company.

#### **Estimation of uncertainties relating to the global health pandemic from COVID-19**

The spread of COVID-19 virus across the globe and in India has contributed a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The govt of India declared nation wide lock down effective from 25th March, 2020 and further extended the lock down till 31st May, 2020.

The Company's trading business remained shut from 25th March, 2020 due to lockdown and partially re-opened w.e.f. 12th May, 2020, which has impacted its trading/operations during April and May' 2020. There were no sales during April and very minimal in May 2020. The Company has restarted its trading/operations in considering the order book and available workforce, since 12th May, 2020 adhering to the Safety norms prescribed by Government of India

April - June' 2020 being lockdown months, the revenues and profitability of the Company are likely to be adversely impacted in the 1st quarter of 2020. As the Company is fully depends on end customers and the business situation is very dynamic, the same is being monitored closely. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Company's Consolidated Financial Statements will be continuously made and provided for as required.

The Company's capital and Banking facilities remain intact. There are no liquidity concerns as we have sufficient unutilized Banking limits available.

### Investment in associate

Associates are those enterprises over which the Group has significant influence, but does not have control or joint control.

Investments in associates are accounted for using the equity method as prescribed under Ind AS 28 and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the postacquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to conform to the Group's accounting policies.

## 2.2 Summary of Significant Accounting Policies

### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
  - Held primarily for the purpose of trading;
  - Expected to be realised within twelve months after the reporting period; or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
  - It is held primarily for the purpose of trading;
  - It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

*The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has*

### b. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
  - In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1- Quoted (unadjusted) market price in active markets for identical assets or liabilities.
- > Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- > Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Consolidated Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the Consolidated Financial Statements.

### **c. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

#### **i. Sale of goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and collectability of resulting receivable. The company generally recognises revenue on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to such extent.

#### **ii. Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.

#### **iii. Dividend income**

Dividend income is recognised when the right to receive the dividend is established.

#### **iv. Profit on sale of investments**

Profit on sale of investment is recognised only at the time when the investments are realised.

### **d. Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Traded goods: Cost is ascertained on a weighted average basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are written down for obsolete/slow moving/non-moving items wherever necessary.

### **e. Provisions and Contingencies**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of amounts required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extreme rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Consolidated Financial Statements

### **f. Taxes**

#### **Current Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for Financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the

## g. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## h. Property, plant and equipment

i) Recognition and measurement: Property, plant and equipment including bearer assets are carried at historical cost of acquisition or deemed cost less accumulated depreciation and accumulated impairment loss, if any.

Historical cost includes its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognized. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred

ii) Depreciation: Depreciation is provided on assets to get the initial cost down to the residual value. Depreciation is provided on a written down value basis over the estimated useful life of the asset or as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset. Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Estimated useful life of items of Property, Plant and Equipment are as follows:

S No	Assets	Useful life As per Schedule II of the Act (in Year)	Actual useful life considered (In Years)
1	Computers	3	3

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

## **Impairment of tangible and intangible assets carried at cost**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending only for change in assumptions or internal/external factors. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### **i. Leases**

Company as a Lessee (IND AS 116)

Lease of assets, where the Company, as a lessee, has substantially assumed all the risks and rewards of ownership are recognised as Leases for all leases above 12 months, unless the underlying asset is of low value. Assets classified are capitalised and depreciated as per Company's policy on Property, Plant and Equipment. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

### **j. Earnings per Share**

The Company presents basic and diluted earnings per share data for its equity shares. Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

### **k. Financial Instruments**

#### **Financial assets**

The Company classifies its financial assets in the following categories:

i) Financial assets at amortised cost- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as noncurrent assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 month period, carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) – All equity investments are measured at fair values.

Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in Other Comprehensive Income (OCI). The accumulated gains or losses are recognised in OCI are reclassified to retained earnings on sale of such investment.

iii) Financial assets at Fair Value through Profit and loss (FVTPL) - Financial assets which are not classified in any of the categories above measured at FVTPL. These include surplus funds invested in mutual funds etc.

iv) Impairment of financial assets - The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

#### **Financial liabilities**

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these investments.

Castle Traders Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees unless otherwise stated)

3 Property Plant & Equipment

Particulars	Building and structures	Vehicles	Computer	Total Property Plant & Equipment
<b>Gross Carrying Value as at 31-Mar-2019</b>	<b>13,220</b>	<b>193</b>	<b>23,200</b>	<b>36,613</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Gross Carrying Value as at 31-Mar-2020</b>	<b>13,220</b>	<b>193</b>	<b>23,200</b>	<b>36,613</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Gross Carrying Value as at 31-Mar-2021</b>	<b>13,220</b>	<b>193</b>	<b>23,200</b>	<b>36,613</b>
<b>Accumulated Depreciation/Amortization as on 31 March 2019</b>	<b>13,220</b>	<b>193</b>	<b>5,515</b>	<b>18,928</b>
Depreciation for the year	-	-	5,894	5,894
Depreciation on Deletions	-	-	-	-
<b>Accumulated Depreciation/Amortization as at 31 March 2020</b>	<b>13,220</b>	<b>193</b>	<b>11,409</b>	<b>24,822</b>
Depreciation for the year	-	-	3,930	3,930
Depreciation on Deletions	-	-	-	-
<b>Accumulated Depreciation/Amortization as at 31 March 2021</b>	<b>13,220</b>	<b>193</b>	<b>15,339</b>	<b>28,752</b>
<b>Carrying Value as at 31-Mar-2019</b>	<b>-</b>	<b>-</b>	<b>17,685</b>	<b>17,685</b>
<b>Carrying Value as at 31-Mar-2020</b>	<b>-</b>	<b>-</b>	<b>11,791</b>	<b>11,791</b>
<b>Carrying Value as at 31-Mar-2021</b>	<b>-</b>	<b>-</b>	<b>7,861</b>	<b>7,861</b>

**Castle Traders Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2021**  
*(All amounts are in Indian rupees unless otherwise stated)*

	As at 31-Mar-2021	As at 31-Mar-2020
<b>4 Investments</b>		
<b>Investments at fair value through OCI (fully paid)</b>		
<b>Investment in non-group companies</b>		
<b>(i) Quoted shares</b>		
(1) Arihant Securities Limited	1,719,500	3,087,500
<b>Investment in group companies</b>		
<b>(ii) Unquoted shares</b>		
(1) Ultraplus Housing Estates Private limited	24,201,398	21,814,607
(2) Olympia Merlin Developers Private Limited	1	13,910
<b>Associate Company</b>		
(3) Navratan Property Holdings Private limited	847,500	847,500
<b>Total investments at cost</b>	<b>26,768,399</b>	<b>25,763,518</b>
Aggregate market value Quoted of Investments	1,719,500	3,087,500
	As at 31-Mar-2021	As at 31-Mar-2020
<b>Investment in quoted shares</b>		
Arihant Securites Limited		
No of shares	475,000	475,000
Value	1,719,500	3,087,500
<b>Aggregate amount of investment in quoted shares</b>	<b>1,719,500</b>	<b>3,087,500</b>
<b>Investment in unquoted shares</b>		
Ultraplus Housing Estates Private limited		
No of shares	57,900	57,900
Value	24,201,398	21,814,607
Olympia Merlin Developers Private Limited		
No of shares	125,000	125,000
Value	1	13,910
<b>Investment in Associate Company</b>		
Navratan Property Holdings Private limited		
No of shares	8,390,250	8,390,250
Value	847,500	847,500
Share of Capital reserve	81,218,724	81,218,724
Share of profit/(loss) for the earlier years-34.71%	-3,398,905	2,174,403
Share of profit/(loss) for the current year-34.71%	59,532,632	-5,513,957
Share of OCI for the current year-34.71%	-269,454	-59,350
<b>Aggregate amount of investment in unquoted shares</b>	<b>162,131,897</b>	<b>100,495,837</b>
Total current liabilities		
<b>Total investments carried at FVOCI</b>	<b>163,851,397</b>	<b>103,583,337</b>

Investment in fair value through OCI (fully paid) reflect investment in quoted and unquoted equity investments.



**Castle Traders Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2021**

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

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>5 Trade Receivables</b>		
Unsecured considered good		-
Unsecured considered good - Receivable from related party	12,204,874	11,315,500
	<b>12,204,874</b>	<b>11,315,500</b>

The credit worthiness of trade debtors and the credit terms set are determined on a case to case basis. Based on the above, there is a low credit risk on Trade Receivables.

The fair values of trade receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when they become overdue.

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>6 Cash and Cash Equivalents</b>		
Balances with banks:		
– On current accounts	1,576,004	126,140
	<b>1,576,004</b>	<b>126,140</b>

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>7 Other Current Asset</b>		
Tax Refund Receivable	475,000	566,855
Prepaid Expenses	5,124	-
	<b>480,124</b>	<b>566,855</b>

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>8 Deferred Tax Asset / (Liability)</b>		
On difference between book balance and tax balance of property, plant and equipment	(741)	(957)
On fair valuation of investments through OCI	(4,766,761)	4,724,557
	<b>-4,767,502</b>	<b>4,723,600</b>

**Castle Traders Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2021**

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

<b>9 Equity share capital</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>Authorised capital</b>		
2,45,000 (March 31,2020: 2,45,000) equity shares of INR 10 each	2,450,000	2,450,000
Increase during the year	-	-
	<b>2,450,000</b>	<b>2,450,000</b>
<b>Issued, subscribed and fully paid-up capital</b>		
2,45,000 (March 31,2020: 2,45,000) equity shares of INR 10 each	2,450,000	2,450,000
	<b>2,450,000</b>	<b>2,450,000</b>

**(i) Details of Shareholders holding more than 5 percent shares in the Company:**

<b>Name of shareholder</b>	<b>As at 31-Mar-2021 No of shares</b>	<b>As at 31-Mar-2020 No of shares</b>
Khivraj Holdings Private Limited	31,500	31,500
% of Holding	12.86%	12.86%
Bharat Kumar Chordia	34,500	34,500
% of Holding	14.08%	14.08%

**(ii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

	<b>As at 31-Mar-2021 No of shares</b>	<b>As at 31-Mar-2020 No of shares</b>
<b>Number of shares as at 1st April</b>	245,000	245,000
Issued during the year	-	-
<b>Number of shares as at 31st March</b>	<b>245,000</b>	<b>245,000</b>

**(iii) Term/Rights attached to equity shares**

The Company has one class of equity shares having a par value of `10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

10 Other equity	As at 31-Mar-2021	As at 31-Mar-2020
General reserve	590,000	590,000
Retained earnings	60,920,535	1,870
Capital reserve on account of shareholding in associate	83,765,039	83,765,039
<b>Other reserves</b>		
Equity Instruments through Other Comprehensive Income	18,366,274	27,122,164
<b>Total other equity</b>	<b>163,641,848</b>	<b>111,479,073</b>

Particulars	Amount
<b>General reserve</b>	
At March 31, 2019	590,000
Add: Amount transferred during the year	-
At March 31, 2020	590,000
Add: Amount transferred during the year	-
At March 31, 2021	<b>590,000</b>
<b>Retained Earnings</b>	
At March 31, 2019	4,351,552
Add: Profit for the year	(4,349,682)
At March 31, 2020	1,870
Add: Profit for the year	60,918,665
At March 31, 2021	<b>60,920,535</b>
<b>Equity Instruments through Other Comprehensive Income</b>	
At March 31, 2019	28,052,400
Add: Impact during the year	(930,236)
At March 31, 2020	27,122,164
Add: Impact during the year	(8,755,890)
At March 31, 2021	<b>18,366,274</b>
<b>Capital reserve</b>	
At March 31, 2019	83,765,039
Add: Impact during the year	-
At March 31, 2020	83,765,039
Add: Impact during the year	-
At March 31, 2021	<b>83,765,039</b>

	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>11 Trade Payables</b>		
Dues to Micro, Small & Medium Enterprises		-
Dues to Related Party		-
Dues to other than Micro, Small & Medium Enterprises	6,719,709	6,330,400
	<b>6,719,709</b>	<b>6,330,400</b>
	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>12 Current Tax Liability (Net)</b>		
Provision for Income Tax(Net of Advance Tax & TDS)	270,742	-
	<b>270,742</b>	<b>-</b>
	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>13 Other Current Liabilities</b>		
Statutory dues	78,376	17,750
Accrued Expenses Payable	1,070,442	50,000
	<b>1,148,818</b>	<b>67,750</b>

**Castle Traders Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2021**

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

<b>14 Revenue from Operations</b>	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
Sale of Traded Goods	88,772,202	265,346,240
	<b>88,772,202</b>	<b>265,346,240</b>

<b>15 Other Income</b>	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
Other income	80,633	59,523
	<b>80,633</b>	<b>59,523</b>

<b>16 Purchase of Traded Goods</b>	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
Purchase of Traded Goods	79,365,700	257,122,260
Others	3,526,902	1,308,723
	<b>82,892,602</b>	<b>258,430,983</b>

<b>17 Changes in inventories of Stock-in-trade</b>	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>Closing stock</b>		
Stock-in-trade - Vehicles(Used)	878,360	-
	<b>878,360</b>	-
<b>Opening stock</b>		
Stock-in-trade - Vehicles(Used)	-	-
	-	-
<b>Increase / (Decrease) in inventories</b>	<b>878,360</b>	-
	<b>-878,360</b>	-

<b>18 Employee benefits expense</b>	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
Salaries, wages and bonus	1,556,258	1,289,347
Directors remuneration	240,000	240,000
	<b>1,796,258</b>	<b>1,529,347</b>

	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>19 Finance costs</b>		
Interest expense	107	63,276
Bank charges	376	-
Processing Charges	-	33,371
	<b>483</b>	<b>96,647</b>

	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>20 Depreciation and amortization expense</b>		
Depreciation of tangible assets (Refer Note 3)	3,930	5,894
	<b>3,930</b>	<b>5,894</b>

	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>21 Other expenses</b>		
Commission	895,172	312,000
Books and Periodicals	-	4,121
Discount paid	133,420	259,440
Delivery expenses	142,813	-
Professional charges	961,409	1,652,290
Rent expenses	120,000	120,000
Sitting fees	100,000	110,000
Business promotion	-	73,225
Repairs and Maintenance	194,061	271,685
Rates and taxes	113,843	155,167
Filing Fees	129,739	72,984
Printing and Stationery	6,160	17,381
Miscellaneous expenses	25,169	51,314
Security service charges	162,462	564,920
Sales Promotion	11,800	-
Insurance paid	56,374	23,137
Payment Auditors(Refer note (a) below)	95,000	50,000
	<b>3,147,422</b>	<b>3,737,665</b>

	<b>Year ended 31-Mar-2021</b>	<b>Year ended 31-Mar-2020</b>
<b>Note (a):</b>		
<b>As auditor:</b>		
Statutory Audit fee	50,000	50,000
Limited Review Fees	45,000	-
<b>Total</b>	<b>95,000</b>	<b>50,000</b>

**Castle Traders Limited****Notes to Consolidated Financial Statements for the year ended March 31, 2021***(All amounts are in Indian rupees unless otherwise stated)*

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**22 Earnings Per Share**

The Company presents basic and diluted earnings per share data for its equity shares. Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Profit after tax	<b>60,918,665</b>	<b>(4,349,682)</b>
Weighted average number of shares		
- Basic	245,000	245,000
- Diluted	245,000	245,000
Profit per share of Rs.10 each		
- Basic	248.65	(17.75)
- Diluted	248.65	(17.75)

**23 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Castle Traders Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees unless otherwise stated)

24 Financial Instruments - Accounting Classification and Fair Values

Financial Instruments

Accounting Classification and Fair Values

		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>March 31, 2021</b>									
<b>Financial Assets</b>									
Quoted Equity Investments	Non Current	-	1,719,500	-	1,719,500	1,719,500	-	-	1,719,500
Unquoted Equity Investments Associate	Non Current	-	-	847,500	847,500	-	-	-	-
Unquoted Equity Investments Others	Non Current	-	24,201,399	-	24,201,399	-	24,201,399	-	24,201,399
Trade receivables	Current	-	-	12,204,874	12,204,874	-	-	-	-
Cash and cash equivalents	Current	-	-	1,576,004	1,576,004	-	-	-	-
<b>Total Financial Assets</b>			<b>25,920,899</b>	<b>14,628,378</b>	<b>40,549,277</b>	<b>1,719,500</b>	<b>24,201,399</b>	-	<b>25,920,899</b>
<b>Financial Liabilities</b>									
Trade payables	Current	-	-	6,719,709	6,719,709	-	-	-	-
<b>Total Financial Assets</b>			<b>-</b>	<b>6,719,709</b>	<b>6,719,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>March 31, 2020</b>									
<b>Financial Assets</b>									
Quoted Equity Investments	Non Current	-	3,087,500	-	3,087,500	3,087,500	-	-	3,087,500
Unquoted Equity Investments Associate	Non Current	-	-	847,500	847,500	-	-	-	-
Unquoted Equity Investments Others	Non Current	-	21,828,518	-	21,828,518	-	21,828,518	-	21,828,518
Trade receivables	Current	-	-	11,315,500	11,315,500	-	-	-	-
Cash and cash equivalents	Current	-	-	126,140	126,140	-	-	-	-
<b>Total Financial Assets</b>			<b>24,916,018</b>	<b>12,289,140</b>	<b>37,205,158</b>	<b>3,087,500</b>	<b>21,828,518</b>	-	<b>24,916,018</b>
<b>Financial Liabilities</b>									
Trade payables	Current	-	-	6,330,400	6,330,400	-	-	-	-
<b>Total Financial Assets</b>			<b>-</b>	<b>6,330,400</b>	<b>6,330,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Measurement of fair values

The basis of measurement in respect to each class of financial asset and financial liability is disclosed in Note 2.2 (b) of Significant Accounting Policies

The Company uses Audited Balance Sheet as on 31st March, 2020 of the Invested Companies for purpose of Fair Valuation of unquoted equities and Computation of fair value through OCI.



**Castle Traders Limited****Notes to Consolidated Financial Statements for the year ended March 31, 2021***(All amounts are in Indian rupees unless otherwise stated)***25 Related Party Transactions**

As per Ind AS 24 on related party disclosures issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party as detailed in the Accounting Standard are given below:

**a. Name of the related parties**

Associate	Navaratan Property Holdings Private limited
Key management personnel	Bharat Kumar Chordia - Whole time Director R. Manoranjan - Company Secretary Vijay Prasath - Chief Financial Officer
Other Directors:	Angalappan Anandakumar - Director Prassan Kumari Chordia - Director Ratnesh Kumar Agrawal - Director Sundaresan Sampathkumar - Director

**b. Transactions with related parties**

Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related party disclosures has significant influence over the entities -

Name of the related party	31-Mar-21	31-Mar-20
1 Khivraj Motors Private Limited		
Transactions during the year		
Sale of clothes	-	216,000
Purchase of cars	59,011,500	-
Sale of cars	-	206,135,000
Closing balance	12,204,874	11,355,500
2 Khivraj Vahan Private Limited		
Transactions during the year		
Purchase of cars	21,032,200	57,532,760
Closing balance	-	-40,000
3 Bharat Kumar Chordia		
Transactions during the year		
Sitting Fee	24,625	-
Rent paid	120,000	120,000
Closing balance	-	-
4 Prassan Kumari Chordia		
Transactions during the year		
Sitting Fee	14,250	-
Closing balance	-	-

## 26 Segment Information

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design and manufacture of products. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

## 27 Financial risk management objectives and policies

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and credit risk.

The Company is not exposed to interest rate risk as it doesn't have any borrowings.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk as it has no outstanding borrowings at the end

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to any of the foreign currency risk since it does not have any foreign currency transactions.

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Company's exposure to credit risk is limited to its operating activities with respect to specified markets (primarily for trade receivables), where the Company sells their products on credit.

The Company evaluates the concentration of risk with respect to trade receivables as low, as the Company has limited set of customers in local jurisdiction.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy due diligence by the management.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts.

### Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements. The Company monitors its risk to a shortage of funds using its forecasts. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

The Company's prime source of liquidity is cash and cash equivalents. The Company invests its surplus funds in bank & fixed deposit and in equity of other companies (Quoted and Unquoted) which carry minimal mark to market risks.

## Castle Traders Limited

### Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in Indian rupees unless otherwise stated)

#### 28 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. In the event that the Company requires additional capital, monies would be infused by the shareholders to provide appropriate financial support to the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company less the fair value adjustment reserve. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Capital includes debt and equity items as disclosed in the table below

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Borrowings	-	-
Less: cash and cash equivalents	-1,576,004	-126,140
<b>Net debt</b>	<b>1,576,004</b>	<b>126,140</b>
Equity	166,091,848	113,929,073
<b>Capital and net debt</b>	<b>164,515,844</b>	<b>113,802,933</b>
Gearing ratio	NA	NA

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

#### 29 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

### 30 Events after the reporting period

There has been no significant subsequent events after the reporting period requiring either disclosure or adjustment to the reported financial statements.

### 31 Previous years figures

Previous year's figures have been regrouped and reclassified where necessary to conform to this year's classification. During the year, the company has reworded its Significant Accounting Policies and there is no change in Accounting Policies from last year. Accounting Policies were reworded for better presentation.

As per our report of even date

#### **For S.C.AJMERA & Co**

Chartered Accountants

ICAI Firm Registration Number: 002908C

#### **For and on Behalf of the Board of Directors of Castle Traders Limited**

#### **Arun Sarupria**

Partner

Membership No.: 078398

Place: Udaipur

Date: 29th June,2021

Bharat Kumar Chordia

Whole time Director

(DIN:00049455)

Ratnesh Kumar Agrawal

Director

(DIN:08477121)

Vijay Prasath

Chief Financial Officer

R.Manoranjan

Company Secretary