



CLASSIC LEASING & FINANCE LIMITED

ANNUAL REPORT

2020-21

CLASSIC LEASING & FINANCE LIMITED

BOARD OF DIRECTORS

❖	Mr. Chandra Shekhar Sony (Managing Director)
❖	Ms. Raksha Bothra (Non-Executive, Non-Independent Director)
❖	Mr. Sanjay Kumar Bubna (Non-Executive, Independent Director)
❖	Ms. Minu Datta (Non-Executive, Independent Director)

STATUTORY AUDITOR

❖	R. Dugar & Associates 11C, Ram Mohan Dutta Road Kolkata 700 020
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BANKERS

❖	Oriental Bank of Commerce Overseas Branch, Kolkata
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REGISTERED OFFICE & CONTACT DETAILS

❖	Registered Address	16A Everest House, 46C, Jawaharlal Nehru Road 16 th Floor, Kolkata 700 071
❖	Telephone	(033) 22883104
❖	Fax	
❖	Website	www.classicleasing.net
❖	E-mail	classicleasingnfinance@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

❖	R & D Infotech Private Limited
	7A, Beltala Road, 1 st Floor, Kolkata-700026
	Tel: (033) 24192641/42
	Fax: (033) 22883105
	Website: www.rdinfotech.org
	E-mail: rdinfo.investors@gmail.com

DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting their 38th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2021.

COMPANY OVERVIEW

The Company is engaged in investment activities and other financial services during the year under review. The Company is not having any division(s)/ branch(s), hence the requirement of segment-wise reporting is considered irrelevant.

FINANCIAL PERFORMANCE

The performance of the Company for the year ended on 31st March, 2021 is stated below:

Particulars	2020-21	2019-20
Revenue from Operations	1,309	10,90,430
Other Income	12,00,658	8,12,500
Total Revenue	16,99,336	19,02,930
Total Expenses	16,91,898	16,32,761
Profit before Tax	7438	1,20,169
Tax Expenses	(15,168)	14,44,979
Profit for the Year	22,606	-13,24,810

STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, the total revenue of the Company for the Financial Year 2020-21 is Rs. 16,99,336/- while the total revenue earned during the year was Rs. 16,99,336/-. As compared to previous financial year 2020-21, wherein the Company had incurred a loss of Rs. 13,24,810 due to the effect of lock down and slow down in economy. Whereas, during the current year Company performed well and managed to overcome the financial crunch.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year under review, there has been no change in the nature of business of the Company.

TRANSFER TO RESERVES

During the financial year 2020-21, an amount of Rs. 1,488/- has been transferred to General Reserve out of the profit available for appropriation.

MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE

There has been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

DIVIDEND

The COVID 19 pandemic and nation-wide long lockdown declared by Government has created uncertainty for the Company. Therefore the Board of Director has decided not to recommend any dividend for the financial year 2020-21.

SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

During the year under review, the Company does not have any Subsidiaries, Associate or Joint Venture Companies.

EXTRACT OF THE ANNUAL RETURN

Extract of the Annual Return as on 31st March, 2021 in Form MGT-9 and extract of annual return for the previous year ending 31st March, 2020 has been given at www.classicleasing.net

MEETINGS OF BOARD OF DIRECTORS

During the financial year ended 31st March, 2021, four Board Meetings were held viz. 25.05.2020, 31.07.2020, 13.10.2020, 13.02.2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Act, with respect to Directors' Responsibility Statement, the Directors hereby confirm that:-

- (i) in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

Induction, Re-appointment, Retirement & Resignation

During the year under review, there was a change in the Directorship of the Company. On recommendation of nomination and remuneration committee, the Board of Directors at its meeting held on 31.07.2020 has appointed Mr. Chandra Shekhar Sony (DIN: 06431942) as

managing director of the Company for a term of 5 years and Ms. Raksha Bothra (DIN 03499732) as non-executive, non-independent director for a term of 5 years.

During the financial year Mr. Tushar Himatsinghka and Mr. Prashant Bothra both have resigned from his directorship in the Company with effect from 31.07.2020.

Further, Ms. Alisha Pujaria has resigned from the post of Company Secretary on 31.07.2020 and in her place Ms. Nidhi Rateria was appointed as Company Secretary 31.07.2020. Thereafter due to the resignation of Company Secretary cum Compliance Office Ms. Nidhi Rateria.

Statement on declaration given by Independent Directors under sub- section (7) of Section 149

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rule, 2014 and Regulations 16 (1)(b) and 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

Familiarization Programme undertaken for Independent Directors

The Independent Directors are familiarised with the Company, about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of familiarization programme are disclosed at the Company's weblink:

<https://www.classicleasing.net/Policies/FamiliarizationProgramme.pdf>

Performance Evaluation of the Board, Its Committees and Directors

Your Company understands the requirements of an effective Board Evaluation process and accordingly during the year under review, they have carried out performance evaluation of Board's own performance, the directors individually and the evaluation of the working of its Committees pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PARTICULARS OF MATERIAL CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company did not enter into contract or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013. The policy on related party transactions and dealing with related party transactions as approved by the Board can be accessed on Company's weblink:

<https://www.classicleasing.net/Policies/SexualHarassmentpolicy.pdf>

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments u/s 186 of Companies Act, 2013, if any, forms part of the financial statements. As Non-banking financial company this section does not apply to this Company.

PUBLIC DEPOSITS

The Company has not invited or accepted deposits from the public covered under Section 73 of the Act and The Companies (Acceptance of Deposits) Rules, 2014, as amended.

PARTICULARS OF EMPLOYEES

None of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 so statement pursuant to Section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be included.

STATUTORY AUDITOR

Pursuant to the provisions of Section 139 of the Act, the Members at the 37th AGM held on 30th December 2020 had approved the appointment of M/s. R. Dugar & Associates, Chartered Accountants, for a term of 1 (one) year, to hold office till the conclusion of the 38th AGM of the Company. Accordingly, the Statutory Auditors would hold office until the conclusion of the 38th AGM of the Company. The Statutory Auditors have confirmed their eligibility for acting as the Statutory Auditors of the Company for the financial year 2021-22. The Auditor's Report for the financial year ended March 31, 2021 on the financial statements of the Company forms part of the Annual Report. The said report was issued by the Statutory Auditor with an unmodified opinion and does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors have not reported any fraud under Section 143 (12) of the Act and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr. Sankalp Poddar, Practising Company Secretary as Secretarial Auditor of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed herewith as "**Annexure-I**". The said Report does not contain any qualification.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Since the Company is at growing trend, the Director's are at nil remuneration.

AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee has been according to Section 177(8) read with Rule 6 of Companies (Meeting of the Board of Director) Rules. There has been no instance where the Board has not accepted the recommendations of the Audit Committee. The composition of Audit Committee for the year under review is as follows:

1. Sanjay Kumar Bubna
2. Minu Datta
3. Chandra Shekhar Sony (appointed on 31.07.2020)

RISK MANAGEMENT POLICY

The Company has a defined Risk Management framework to identify, assess, monitor and mitigate various risks to key business objectives. The Risk Management Policy provides for identification of risk, its assessment and procedures to minimize risk. The policy is periodically reviewed to ensure that the executive management controls the risk as per decided policy.

CORPORATE GOVERNANCE DISCLOSURE

Pursuant to Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, para C, D and E of Schedule V shall not apply to the Company.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place to properly and efficiently conduct its business, safeguard its assets, detect fraud and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has formed a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Act and Regulation 22 of the Listing Regulations. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy/ Vigil Mechanism can be accessed on the Company's weblink : <https://www.classicleasing.net/Policies/VigilMechanismPolicy.pdf>

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action. The Company has established a policy against Sexual Harassment for its employees. The policy allows every employee to freely report any such act and prompt action will be taken thereon. The Policy lays down severe punishment for any such act. Further, your Directors state that during the year under review, there was no case of sexual harassment reported to the Company pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints received	Number of complaints disposed of	Number of complaints pending
NIL	NIL	NIL

The policy on prevention of sexual harassment at workplace can be accessed on the Company's web link as below:

<https://www.classicleasing.net/Policies/SexualHarassmentpolicy.pdf>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 of Companies Act, 2013 does not apply to the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

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

Management Discussion and analysis and corporate governance:

Pursuant to Schedule V of Regulation 34(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 report on Management Discussion and analysis as annexed with Annexure II and report on Corporate Governance Report as annexed with Annexure III. Certificate on Corporate Governance from Practicing Company Secretary is annexed to this report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO AS PER SECTION 134 (3)(m) OF THE ACT

- A. The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and hence reporting under this Section does not arise.
- B. No technology has been developed and / or imported by way of foreign collaboration.
- C. Foreign exchange inflow / outflow is NIL

For and on behalf of Board

Place: Kolkata
Date:13.08.2021

Chandra Shekhar Sony
Managing Director
(DIN: 06431942)

Raksha Bothra
Director
(DIN: 03499732)

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure II

(a) Industry structure and developments:

Financial Statements are in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards issued by ICAI. Readers are cautioned that this discussion may include "forward-looking statements" that are not historical in nature. Forward looking statements may include statements relating to future results, financial condition, business prospects, plans and objectives. Statements are based on current beliefs, assumptions, expectations, estimates and projections on the business segment in which your company operates. The statements do not guarantee positive performance, exposed to known and unknown uncertainties, many of which are beyond the control of your Company. Uncertainty could cause results to differ from forward looking statements, which should not be construed as representation of future performance.

Our Business segment aims to provide specialized and holistic solutions to Indian customers helping them build and grow their businesses. We focus on products in the structured credit space backed by adequate collaterals and cash flows to build a secured and quality portfolio. Under the Lending Business, we provide credit solutions for situations like initial funding requirements, mezzanine financing, acquisition financing, short term and long term working capital requirements.

(b) Opportunities and Threats.

The lockdowns declared by various state governments to curb the spread of second wave of COVID 19 has badly affected our economy. However, it is expected that strong businesses will not only survive but gain market share. There is ample liquidity in the Banking system. It is expected that growth will accelerate in the second half of the current year 2021-22.

Among the three domestic factors that helped the recovery in share prices was the strong policy action from the government targeted at reviving private corporate profits, better-than-expected management of the pandemic resulting in less than the global average cases and fatality rates and strong corporate action through the pandemic by way of cost cutting initiatives. The Company is focusing in recovery in its share prices and Board hopes that the industry will be in recovery mode in the later part of the financial year ended 2021-22.

The second wave of COVID-19 pandemic and likelihood of third wave is a big threat for most of the businesses in the financial year 2021 - 2022. The market demand and supply chains have been very adversely affected due to the ongoing pandemic Covid -19. Some Economists have forecasted that the adverse effect of pandemic on economy may even last for two to three years. Apart from this, risks are emerging from the domestic and external side, namely 1) a faster-than expected rise in inflation, which could create pressure for preemptive tightening; 2) increase in credit stress domestically and wider credit spreads,

leading to tighter financial conditions, stalling growth recovery; 3) slowdown in global growth; 4) risk aversion in global capital markets, faster-than anticipated tightening in global financial conditions; and 5) swings in global commodity prices.

(d) Internal control systems and their adequacy.

Internal control system adopted aimed at promoting operational efficiencies and emphasizing adherence to the policies adopted by the Board of Directors.

(e) Material developments in Human Resources and Industrial Relations front,

The Company continues to maintain a very cordial and healthy relationship with its workforce. We are striving towards attracting, retaining, training and working towards the welfare of our human resources.

There is no such significance change in the key financial ratio.