

SITA

ENTERPRISES LTD.

**Report
and
Accounts
2023**

SITA ENTERPRISES LIMITED

BOARD OF DIRECTORS

Mr. Ashok Tulsyan, Whole Time Director
Mr. Mukesh Sarswat, Independent Director
Mr. Sandeep S. Rathi, Independent Director
Smt. Sanju Tulsyan
Smt. Sneha Tulsyan

DIN

00353156
05340062
01996092
00659808
01686490

COMPANY SECRETARY

Mrs. Shweta Mehta

CHIEF FINANCIAL OFFICER

Mr. V K Vora

BANKERS

Canara Bank
Barclays Bank

AUDITORS

M/s. Patel Shah & Joshi
Chartered Accountants

REGISTERED OFFICE

415-416, Arun Chambers,
Tardeo Road,
MUMBAI - 400 034.

CIN: L45202MH1982PLC026737
PHONE: 022 - 6662 7383 / 84
EMAIL: sitaenterprisesltd@yahoo.com
WEBSITE: www.sitaenterprises.com

CONTENTS	
	Page Nos.
Notice for the Annual General Meeting	1
Directors' Report with Annexures	3
Statutory Auditors Report	8
Financial Statements	12

SITA ENTERPRISES LIMITED

NOTICE

Notice is hereby given that the Fortieth Annual General Meeting of the members of Sita Enterprises Ltd. will be held on Thursday the 28th September, 2023 at 3.00 PM through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31-03-2023 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Ms. Sneha Ashok Tulsyan (Director Identification Number: 01686490) who retires from office by rotation and being eligible offers herself for re-appointment.

Special Business:

3. Re-appointment of Mr. Mukesh Sarawat as an Independent Director of the Company. To consider and, if thought fit, to pass the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Act and other applicable provisions, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the re-appointment of Mr. Mukesh Sarawat (holding DIN:05340062), who is eligible for being re-appointed as an independent director and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby ratified and approved for another term of five consecutive years till twenty-second August, two thousand twenty- eight. Resolved further that Mr. Mukesh Sarawat being an Independent Director shall not be required to retire by rotation as per the provisions of The companies Act, 2013 and other applicable rules and regulations.

Mumbai
28th August, 2023

By Order of the Board

Shweta Mehta
Company Secretary

NOTES:

1. This Annual General Meeting (AGM) of the members of the Company is being held through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) in compliance with the MCA and SEBI Circulars. The facility for the appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

2. Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorizing their representatives to attend the AGM, pursuant to Section 113 of the Act, through e-mail at sitaenterprisesltd@yahoo.com with a copy marked to evoting@nsdl.co.in
3. The Registers of Members and Transfer Books of the Company in respect of the Equity Shares of the Company will remain closed from 22nd September, 2023 to 28th September, 2023, both days inclusive.
4. The facility for making/varying/cancelling nominations is available to shareholders. Nominations/variations/cancellations can be made by giving notice in Form SH-13 and SH-14 which can be obtained from the Share Department of the Company or Share Transfer Agent or from the MCA website- www.mca.gov.in.
5. Members are requested to contact Link Intime India Pvt. Ltd. (LIPL), Share Transfer Agent of the Company, for consolidation of folios, transfer of physical shares into Demat form and other queries relating to their shares.
6. The registrar and share transfer agent Link Intime India Pvt. Ltd. (LIPL) have sent letters to shareholders wherein KYC compliances are not complete as per SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16.03.2023. Such shareholders are requested to complete the requirements as per SEBI regulations.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details and other changes, to their DPs in case of holdings in electronic form and to the LIPL in case of holdings in physical form.
8. In compliance with applicable provisions, notice of the AGM along with Annual Report 2022-23 is being sent through electronic mode, to those members whose email addresses are registered with the Company/ Depositories. These will also be available on the Company's website (www.sitaenterprises.com), BSE's website (www.bseindia.com) and NSDL website (www.evoting.nsdl.com). Members who have not registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with LIPL in case of physical form shares.
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Members desirous of registering themselves as speaker shareholder or obtaining information on accounts and operations of the Company, are requested to address their queries at sitaenterprisesltd@yahoo.com from 25th September, 2023 to 27th September, 2023 till 5.00 p.m. mentioning their name, demat account number/folio number, email id, mobile number, so that the same could be suitably answered at the meeting/by email.

11. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

12. The deemed venue for the Annual General Meeting shall be the registered office of the company. The AGM shall only be via VC/ OAVM, without any physical presence of shareholders at the said Registered Office.

13. In terms of section 108 of the Act read with applicable provisions, the Resolutions for consideration at this AGM will be transacted through remote e-voting (facility to cast vote prior to the AGM) and also e-voting during the AGM. The Board of Directors of the Company ('the Board') have engaged the services of NSDL for E-voting and for conducting the AGM.

14. Ms. Priyanka Borana (Membership No.57839), Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

15. The voting results along with the Scrutinizer's report shall be placed on the Company's website www.sitaenterprises.com and on the website of NSDL www.evotingnsdl.com and the same shall be communicated to the BSE Limited, where the shares of the Company are listed.

16. The instructions for members for remote e-Voting prior to AGM, e-voting at AGM and for joining Annual General Meeting are annexed.

17. Explanatory Statement Pursuant to Section 102 of The Companies Act, 2013 ("The Act") Relating to Special Business:

Mr. Mukesh Sarswat has been acting as Independent Director on the Board of the Company since twenty-third August two thousand eighteen. As per applicable provisions he may be appointed for a period of ten years up to Twenty Second August, Two Thousand Twenty Eight consisting of two consecutive terms of five years each subject to approval of members by requisite resolution as per the provisions of the Companies Act, 2013. After completion of his first term in 2023, he continues as an Independent Director subject to the ratification of his re-appointment by the members now as per terms of his appointment and the applicable provisions. The Board after obtaining declaration of independence of the aforesaid director and after satisfying itself about the independence of the aforesaid director in accordance with Section 149(6) of the Act and the listing regulations has recommended the re-appointment of the aforesaid director as Independent Director on the Board for a second term of five consecutive years. The Company has received notice(s) in writing from shareholder under Section 160 of the Companies Act, 2013, proposing the candidature for the appointment of aforesaid Independent Director. None of the Directors of the Company other than the aforesaid Independent Director are concerned or interested

in the resolution for appointment as Independent Director.

The Board recommends the appointment of the aforesaid Independent Director for a term of five consecutive years.

18. Detail of Directors Seeking Appointment / Re-appointment at the AGM:

Name	Sneha Ashok Tulsyan
DIN	01686490
Date of Birth / Age	22/05/1989 – 34 years
Date of First Appointment	28/09/2018
Expertise	General Management
Qualification	MBA, Chartered Accountant and B.Com,
No. of Shares held	1000
No. of Board meetings Attended	2
Category	Promoter Director
Relationship with other directors	Daughter of Mr. Ashok Tulsyan and Sanju Ashok Tulsyan - Directors in the Company.
Other Companies in which Directorship held	Goyal Housing and Finance Ltd., Speedex Investment & Finance Pvt. Ltd.
Chairman / Member of the Committees of other Companies	Nil
Remuneration Drawn	Nil

Name	Mukesh Sarswat
DIN	05340062
Date of Birth / Age	08/07/1986 – 37 years
Date of First Appointment	23/08/2018
Expertise	Commercial Law and Corporate Advisory.
Qualification	Company Secretary
No. of Shares held	Nil
No. of Board meetings Attended	5
Category	Independent Director
Other Public Companies in which Directorship held	Nil
Chairman / Member of the Committees of other Companies	Nil
Remuneration Drawn	No remuneration (only sitting fees is paid)

By order of the Board

Mumbai
28th August, 2023

Shweta Mehta
Company Secretary

D I R E C T O R S ' R E P O R T

To The Members:

Your Directors have pleasure in submitting the Fortieth Annual Report of the Company together with the audited Annual Accounts showing the financial position of the Company for the year ended on 31st March 2023.

Management Discussion & Analysis

- i) Industry structure and development: The company is a Non-Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC) registered with Reserve Bank of India Act, 1934. The company is engaged in investments and finance.
- ii) Opportunities & Threats: The Company keeps a close watch on the trends in industry for making investments and giving loans in accordance with its size of operations considering the possible threats including external ongoing factors.
- iii) Segment-wise or product-wise performance: The Company operates only in the segment of finance and investment and as such there is no reportable segments wise or product wise performance.
- iv) Outlook – The Company being engaged in investment and finance business faces challenges and opportunities in the capital and finance market. There are challenges in interest rates movement and volatility in stock market. The interest rate hikes may peak out in 2023. The volatility in stock indices represents both an opportunity and challenge for the Company. The company continues to see movements in the market and uses periods of weakness as investment opportunities for long term.
- v) Risks and concerns: The Company has exposure in shares, securities, properties, loans & advances and any adverse development in stock market and industry will have an impact on the Company's performance.
- vi) Internal control systems and their adequacy: The Company has adequate internal control systems commensurate for its limited operations. The Company has appointed Internal Auditors to observe the Internal Controls, and to assess that the workflow of the organization is being done through the approved policies of the Company. The observations of internal auditors are considered by the Audit Committee of the Board.
- vii) Financial & Operational performance

The Financial and Operational performance during the year was as under:

	Rupees in Lakhs
Gross Income	68.18
Gross Operating Profit	45.95
Provision for Taxation	3.34
Profit After Tax	42.61

Dividend and Transfer to Reserves

Your Directors do not recommend any dividend for the year ended on 31st March 2023. An amount of Rs. One Lac has been transferred from surplus balance in Statement of Profit and Loss to general reserve during the year. An amount of Rs. Nine Lakhs has been classified as special reserve as per RBI guidelines.

Directors and Key Managerial Personnel

Ms. Sneha A. Tulsyan retires from the Board by rotation and being eligible, offers herself for re-appointment as director at the

ensuing Annual General Meeting of the Company. At the said board meeting the reappointment of Mr. Mukesh Sarswat as Independent Director for another term of five years shall also be placed for consideration of shareholders.

During the year five board meetings were convened and held.

The Independent Directors of the company have given declarations under Section 149(7) of the act that they meet the criteria of independence as provided under Section 149(6) of the Act.

Apart from sitting fees paid to the independent directors no other remuneration is paid to directors. Commensurate with the limited size of operations of the company the Board has, on recommendation of Nomination and Remuneration Committee -

- i) Framed a policy for selection and appointment of Directors and Senior Management and their remuneration. As per company's policy the independent director should possess fair professional qualification, sound ethics and attributes, and should meet the criteria of independence.
- ii) Adopted a framework for performance evaluation of the Board, its Committees, individual directors and chairperson through a survey questionnaire. The survey questionnaire broadly covers various aspects of board functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligation and governance.

NBFC Activities

The Company is classified as an Investment and Credit Company (NBFC-ICC) as per RBI guidelines. The Company is not accepting/holding public deposits and as such no amount on account of principal or interest on public deposit was outstanding on the date of balance sheet.

Particulars of Loans, Guarantees or Investment

The Company being an NBFC registered with Reserve Bank of India, the provisions of section 186 of The Companies Act, 2013 are not applicable to it.

Audit Committee

The Company has constituted an audit committee with Mr. S Rath, Mr. Mukesh Sarswat and Mr. A. Tulsyan as members. All recommendations of the audit committee have been accepted by the board.

Directors' Responsibility Statement

To the best of their knowledge and belief, and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(C) of the act:

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- b. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- c. That 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.

- d. That the directors have prepared the annual accounts on a going concern basis.
- e. That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls were adequate and operating effectively.
- f. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Related Party Transactions

Related party transactions were on arm's length basis and were in the ordinary course of the business. Details of the transactions with Related Parties are provided in the accompanying financial statements. There was no transaction during the year which would require to be reported in Form AOC-2.

Statutory Auditors

M/s. Patel Shah & Joshi, Chartered Accountants, are the statutory auditors of the company. There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors in their Report on the financial statements for the period.

Secretarial Auditors

Priyanka Borana, the secretarial auditors, has given a Secretarial Audit Report in form MR3 for the period. There are no qualifications, reservations or adverse remarks or disclaimers made by her in the Report.

Risk Management Policy

Commensurate with its limited size of operations the Company is keeping a close watch on the trends in industry for lending of funds and making investments. It is also considering the possible threats due to external factors.

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – NIL, Number of shareholders who approached listed entity for transfer of shares from suspense account during the year – NIL, Number of shareholders to whom shares were transferred from suspense account during the year – NIL, Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year – NIL.

Declaration that the voting rights on shares in the suspense account shall remain frozen till the rightful owner of such shares claims the shares – Not Applicable

Corporate Social Responsibility

It is your company's belief that its primary goal is to fulfill responsibility towards all its constituents i.e., shareholders, customers, government, regulatory bodies, etc. The company maintains fair and ethical practices in its dealings as part of its social responsibility. Further provisions of section 135 of the act and submission of corporate governance report are not applicable to the company.

Vigil Mechanism/Whistle Blower Policy

Your Company has adopted and disseminated its Whistle-Blower Policy to provide a secure environment and encourage employees to report unethical, unlawful, or improper practices, acts or activities and to prohibit any adverse action against those who report such practices in good faith. The Whistle-Blower Policy is disclosed on the website of the Company.

Annual Return

As per Section 92 of the Companies Act, 2013, the copy of annual return of the company has been placed on the website of the company and can be accessed at www.sitaenterprises.com.

Subsidiaries, Associates and Joint Ventures

The company does not have any subsidiary or joint venture. The company has an associate company namely - Bombay Mercantile & Leasing Company Ltd. The accounts of this associate concern have not been consolidated with that of the company as there is no requirement for the same as per provisions of Accounting Standard - Ind (AS) 28. for the reasons mentioned in the prescribed form AOC- I, annexed separately.

Other Information

The disclosure under Section 197 of the Companies Act, 2013 has been annexed to this report. The company has no employee of the category specified in Section 197(12) of the Act.

The Company has not consumed any significant quantity of energy; therefore, no comments are made on conservation of energy and technology absorption. There has been no foreign exchange income/outflow during the year under review. The provision of cost audit is not applicable to the Company.

The company prepares its financial statements as per Indian Accounting Standard (IndAS). Secretarial Standards issued by The Institute of Company Secretaries of India, applicable to the company are complied with.

The shares of the company are listed at BSE Limited (Bombay Stock Exchange). The company has paid the due listing fees to the exchange.

There have been no other material changes and commitments, if any, affecting the financial position of the company, which have occurred between the end of the financial year and date of the report. During the year - there has been no change in nature of business conducted by the company, there has been no change in share capital, no share has been transferred in suspense account, no fraud has been reported to the audit committee, no order or penalty was passed against the company by any authority. The company has adopted adequate measures for prevention of insider trading.

The Company has the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. The Company has in place internal financial control systems, commensurate with the size and complexity of its operations, to ensure proper recording of financial and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements.

The company is following the guidelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There have been no cases reported during the year.

The Company is giving effect to various compliances applicable to it and adopting policies commensurate with its limited size of operations.

The board places on record its appreciation for the continued support and cooperation extended by employees, customers, bankers, and all other constituents.

On behalf of the Board

Mumbai, 28th August, 2023

A. Tulsyan

S. Tulsyan

Director

Director

DIN:00353156

DIN:00659808

Annexure to the Directors' Report**Information under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-2023 *[Not Applicable – Please see note Below.]*
- (ii) The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2022-23. Mr. V.K.Vora- Chief Financial Officer (increase) 5.49%, Company Secretary (decrease) 4.16%.
- (iii) The percentage increase / decrease in the median remuneration of employees in the financial year 2022-23 (Decrease) 4.16%
- (iv) The number of permanent employees on the rolls of Company- Four
- (v) The explanation on the relationship between average increase / decrease in remuneration and Company performance (Profit before tax decreases by 29.19%). The overall decrease in remuneration was 5.03%.
- (vi) Comparison of the remuneration of the Key managerial Personnel against the performance of the Company. *[Not Applicable – Please see note Below.]*
- (vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.
Market Capital as on 31-03-2022 was Rs.3363.60 Lakhs and as on 31-03-2023 was Rs.476.70 Lakhs. EPS as on 31-03-2022 was Rs.2.00 and as on 31-03-2023 was Rs.1.42. The last public offer for equity shares of the company was an offer for sale made in 1994-95 for 7.5 Lakhs equity shares of Rs. 10/- each at par. The market quotation (BSE Closing price of a single equity share of company as on 31-03-2023 was Rs. 15.89 representing a 31.10% increase from the closing price as on 31-03-2022.
- (viii) Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. *[Not Applicable – Please see note below.]*
- (ix) The comparison of each remuneration of Key Managerial Personnel against the performance of the Company during the Financial Year 2022-2023 is as: *[The amount paid to key managerial personnel during the year was 8.13% of total gross revenue and 13% of profit after tax.]*
- (x) The key parameters for any variable component of remuneration availed by the Directors. *[Not Applicable – Please see note Below.]*
- (xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year. *[Not Applicable – Please see note Below.]*
- (xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company.

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company. *[Not Applicable – Please see note Below.]*

NOTES

Apart from sitting fees of Rs.60,000/- paid to independent directors no remuneration was paid to directors. Payments to Key Managerial Personnel (KMP) – Rs.1,80,000/- to Company Secretary and Rs. 3,73,715/- to CFO. The company maintains the minimum number of employees for day-to-day affairs and this remuneration is in line with the basic needs. Clause no. i, vi, viii, x, xi, xii are not applicable / relevant / material. There are no employees in the company covered by provisions of section 197(12) of the Companies Act, 2013 read with rule 5 (2) 7 5 (3) of the companies (Appointment and remuneration of managerial personnel) Rules, 2014 for which particulars are required to be furnished.

Mumbai, 28th August, 2023

A. Tulsyan
Director
DIN: 00353156

S. Tulsyan
Director
DIN :00659808

AOC - I

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to subsidiaries or Associates Companies or Joint Ventures.

Part – A – Subsidiaries – Not Applicable (No Subsidiary)

Part – B – Associates

Name of Associates	Bombay Mercantile & Leasing Company Ltd.
1. Latest audited Balance Sheet Date	31/03/2022
2. Date on which the Associate was associated	01/04/2002
3. Shares of Associate Company held by the company on the year end	
Number of Shares	12,05,000
Amount of Investment in Associates (Rs. in Lakhs)	180.75
Extent of Holding (in percentage)	48.98
4. Description of how there is significant influence	No significant influence as per Ind AS 28
5. Reason why the associate is not consolidated	* As per note below
6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lakhs)	415.48
7. Profit or Loss for the year (Rs. in Lakhs)	71.09
<i>i.</i> Considered in Consolidation (Rs. in Lakhs)	-
<i>ii.</i> Not Considered in Consolidation (Rs. in Lakhs)	71.09

* The company, Sita Enterprises Limited does not have significant influence over Bombay Mercantile and Leasing Company Ltd. in terms of provisions of Accounting Standard - Ind AS 28 as there is no- (a) Representation on the board of directors or equivalent governing body of the investee; (b) participation in policy making processes, including participation in decisions about dividends or other distributions ; (c) material transactions between the entity and its investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

Joint Ventures – Nil

Name of Associates or joint ventures which are yet to commence operation – NA

Name of Associates or joint ventures which have been liquidated or sold during the year – NA

A. Tulsyan
Director
DIN: 00353156

S. Tulsyan
Director
DIN :00659808

Shweta Mehta
Company Secretary

V K Vora
Chief Financial Officer

Mumbai, 29th May, 2023