

ACCOUNTS

2020-2021

ANNUAL REPORT

ECONO TRADE (INDIA) LIMITED



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etil2011@gmail.com
www.econo.in

ECONO TRADE (INDIA) LIMITED

CIN : L51109WB1982PLC035466

BOARD OF DIRECTORS

Mrs. Shekh Hasina Kasambhai, Managing Director
Mr. Irfan Ahmedbhai Belim
Mr. Panchal Nrupesh Kirtikumar
Mrs. Jyoti Sureshbhai Kantariya

CHIEF FINANCIAL OFFICER

Mr. Navinchandra Amratlal Kothari

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Siddharth Sharma

STATUTORY AUDITORS

Harshad Sudhir & Co.
Chartered Accountants

SECRETARIAL AUDITORS

Anup Pandey & Associates
Practicing Company Secretaries

BANKERS

DCB BANK
IDBI BANK
ICICI BANK

REGISTERED OFFICE

"Mercantile Building"
9/12, Lal Bazar Street, Block-B, 3rd Floor,
Room No. 3103, Kolkata - 700 001
Phone: 78905-18016
E-mail: etil2011@gmail.com, Support@econo.in
Website: www.econo.in

REGISTRARS & SHARE TRANSFER AGENTS

Niche Technologies Pvt. Ltd.
CIN: U74140WB1994PTC062636
3A, Auckland Place 7th Floor, Room No. 7A & 7B,
Kolkata – 700 017
Phone: (033) 2280 6616 / 17 / 18
Fax: (033) 2280 6619,
E-mail: nichetechpl@nichetechpl.com
Website: <https://www.nichetechpl.com>

38TH ANNUAL GENERAL MEETING

Tuesday 28th September, 2021 at 12:00 P.M.

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NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the members of **M/s Econo Trade (India) Limited** will be held on Tuesday the 28th September, 2021 at 12:00 PM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), to transact the following business:

Ordinary Business

To Consider and if thought fit, pass with or without modification(s) the following resolutions as Ordinary Resolutions:

1. Adoption of Audited Financial Statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021, including the audited Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.

Special Business:

To consider and if thought fit, to pass, with or without modification(s), the following resolutions:

2. Approval for Related Party Transactions

To pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with **Econo Broking Pvt Ltd.**, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for providing loan facility, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of 15 Crore (fifteen Crores) for the financial year 2021-22, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

3 Approval for Related Party Transactions

To pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with **Sai Metaltech LLP.**, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for providing loan facility, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of 10 Crore (Ten Crores) for the financial year 2021-22, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**By Order of the Board
For Econo Trade India Limited**

**Shekh Hasina Kasambhai
Managing Director**

**Registered Office: 9/12 Lal Bazar Street, Block B,
Room No.3103, 3rd floor, Kolkata – 700 001**

Date: 05.09.2021

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.econo.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on September 25, 2021 at 09:00 A.M. and ends on September 27, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 21, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 21, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in

order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  App Store  Google Play</div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

	<ol style="list-style-type: none"> 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cspkohli@gmail.com with a copy marked to evoting@nsdl.co.in.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. August 20th 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 21st 2021 may follow steps mentioned in the Notice of the AGM under Step 1 :“Access to NSDL e-Voting system”(Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com to reset the password.

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), and AADHAR (self-attested scanned copy of Aadhar Card) by email to etil2011@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to etil2011@gmail.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at etil2011@gmail.com latest by 05:00 p.m. (IST) on Tuesday, 21st day of September, 2021.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
9. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE
COMPANIES ACT, 2013**

Item No.2

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company, within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing, Regulations. Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with Econo Broking Pvt. Ltd. in the financial year 2021-22. The Board has recommended the resolution set forth in item No. 2 of the notice for the approval of the members.

Item No.3

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company, within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing, Regulations. Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with Sai Metaltech LLP. in the financial year 2021-22. The Board has recommended the resolution set forth in item No. 3 of the notice for the approval of the members.

DIRECTORS REPORT TO THE SHARE HOLDERS

Your directors have pleasure in presenting their report together with the audited Balance sheet as at March 31st 2021 and Statement of Profit & Loss for the year ended on that date.

Financial Results

S. No.	Particulars	(₹)	
		2020-2021	2019-2020
1.	Profit before Taxation and Provision for Standard Assets	99,28,081.00	64,30,054.00
2.	Less: Provision for Standard Asset	-	-
3	Profit Before Taxation	99,28,081.00	64,30,054.00
4	Less: Provision for Income Tax	28,00,000.00	18,50,000.00
5	Add: Deferred Tax Assets	-	-
6	Profit/Loss After tax	71,29,231.00	45,80,053.00
7	Less: Statutory Reserve	9,16,011.00	9,16,011.00
8	Profit after Statutory Reserve	62,13,220.00	36,64,043.00
9	Balance Brought forward from Balance Sheet	1,82,89,101.00	1,46,25,057.54
10	Balance carried forward to Balance Sheet	2,39,92,485.00	1,82,89,101.00

Share Capital

The paid-up share capital of the company is ₹. 186695750 as on March 31st, 2021. During the year i.e., April 1st 2020 to March 31st, 2021 there were no changes during the said period.

Dividend

In view of inadequate profit, Company has not declared any dividend.

Transfer to Reserve

During the Financial Year ended March 31st, 2021, the Company has a sum of ₹. 9,16,011.00 towards reserve under Section 45-IC of the RBI Act, 1934.

Change in the nature of the business

During the year under review, there was no change in the nature of the business of the Company

Company's Performance

Revenue from Operation for financial Year 2020-2021 at ₹ 2,14,16,397 Profit before Tax for Financial Year 2020-2021 ₹. 99,28,081 and profit after tax is ₹. 71,29,231

Fixed Deposits

We have not accepted any Fixed Deposits and as Such no amount of Principle or Interest was outstanding as of Balance sheet date.

Management Discussion and Analysis Report

In terms of provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015, the Management discussion and Analysis is set out in this Annual Report.

Listing with Stock Exchanges

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 to BSE (**Scrip Code 538708**) where the Company's share is listed. The Company has paid Listing Fess to CSE (**Scrip Code-015111**)

Dematerialization of shares

85.94% of the Company's paid-up Equity share Capital is in dematerialized form as on 31/03/2021 and the balance are in physical form. The Company's registrar is M/s Niche Technologies Private Limited having their registered office at 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata-700017.

Number of Board Meetings Held

The Board of Directors duly met four times during the financial year from April 1st 2020 to March 31st 2021. The maximum Interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

Directors

Pursuant to Sections 196, 197 and 203 read with schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 **Mrs. Shekh Hasina Kasambhai** was appointed as the Executive Managing Director of the company w.e.f. 28th September 2020, **Mr. Kasambhai Umarbhai Shekh** had ceased from directorship of the company w.e.f. 31th July, 2020, due to said demise.

Directors and KMP

There is no retirement by rotation of any Directors and KMP during the year.

Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Board Evaluation

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The performance evaluation of Independent Directors was carried out by the entire Board. The performance of the Non-Independent Directors was carried out by Independent Directors. Details of the same are given in the report on the Corporate Governance annexed to this report.

Internal Financial Control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Companies 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 disclosures.

Subsidiaries and Associates

The company has no Subsidiary as on 31.03.2021. There are no associate or joint venture companies within the meaning of Section 2 (6) of the companies Act 2013.

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of Independence laid down in Section 149 (60 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing obligation and Disclosure requirements) Regulations 2015.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 Director of your company hereby state and confirm that: -

- a) In the preparation of the annual accounts for the year ended 31st March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
 - b) They 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 financial year and of the Loss of the Company for the same period;
 - c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d) They have prepared the annual accounts on a going concern basis;
 - e) They have laid down internal financial controls in the company that are adequate and were operating effectively;
 - f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.
-

The Information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Remuneration) Rules 2014 in respect of the employees of the Company are given in annexure -1 forming part of this report.

Extracts of Annual Return

The details forming part of the Extract of the Annual Return in form MGT-9 is appended as Annexure – 2.

Auditors:

Statutory Auditors: -

At the Annual General Meeting held on September 28, 2020 the Auditors M/s. H S K & Co. Chartered Accountants, Ahmedabad., (Firm Registration No. 117014W) were appointed as Auditor of the Company to hold office till the conclusion of the Fortieth (42nd) Annual General Meeting of the Company

Secretarial Auditor: -

Mr. Anup Pandey (CP. No.-16091-Proprietor) practicing Company Secretary was appointed to conduct the Secretarial Audit of the Company for the Year 2020-2021 forms part of Annual report.

Auditors' Certificate on Corporate Governance: -

As required by SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the auditors' certificate on corporate governance is enclosed as Annexure to the Board Report.

Audit Observations

Auditors' observation is suitably explained in notes to the Accounts and are self-explanatory.

Corporate Governance

Pursuant to Regulation 34 of the listing Regulation read with Schedule V to the said regulations, a compliance report on Corporate Governance has been annexed as part of Annual report along with Auditor's Certificate.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information required under Section 134(3) (m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

Corporate Social Responsibility

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the CSR is not applicable for the Company.

Vigil Mechanism

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 a vigil Mechanism for Directors and Employee to report genuine concerns has been established.

Related Party Transactions

Relate Party Transactions that were not entered during the financial year. Therefore, the requirement of Form AOC-2 is not required.

Particulars of Loans, Guarantees or Investments

Loans, Investments are done as per Companies Act, 2013, though company is NBFC and its main activity is providing Loans repayable on demand and Investing in Shares, Securities. Therefore, disclosed in Notes to Accounts.

Listing Agreement

The Securities and Exchange Board of India on September 2, 2015 issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of Capital Market to ensure better enforceability, the said regulation was effective from December 01, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement with in Six Months from the effective Date. The Company entered into listing agreement with the Calcutta Stock Exchange and Bombay Stock Exchange on February 2017.

Registrar and Share Transfer Agent

M/s Niche Technologies Private Limited is Company's Registrars and Share Transfer Agent (RTA) as common agency both for physical and demat shares, as required under the Securities Contract (Regulation) Act, 1956. The contact details of RTA forms part of the Corporate Governance Report.

Disclosure under Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

Your company is committed to creating and maintaining a secure work environment where its employee, customers, Vendors etc can work and pursue business together in an atmosphere free of Harassment, exploitation and intimidation. To empower women and protect woman against Sexual harassment, a policy for prevention of Sexual harassment has been rolled out. The policy allows employees to report sexual harassment at the work place.

Green Initiative

Your Company started a sustainability initiative with the aim of going green and minimizing our impact on the environment. We are publishing only the statutory disclosure in the print version of Annual Report. Additional information is available on our website www.eocono.in.

Electronic copies of the Annual Report 2020-21 along with Notice of the 38th Annual General Meeting are sent to the members whose email addresses are registered with the Company/RTA/Depository Participant(s). For members who have not registered their email addresses, physical copies of Annual Report 2020-21 and notice of 38th Annual General Meeting are sent in the permitted mode. Members required physical copies can send a request to the Company.

Acknowledgement

Directors deeply acknowledge the trust and confidence you have placed in the company. Director would also like to thank all its Banker, Customer, Vendors and Shareholders for their continued support to the Company. In specific, the Board would also record its sincere appreciation of the Commitment and Contribution made by all employees of the Company.

Place: Kolkata

Date: 30.06.2021

BY ORDER OF THE BOARD

**Shekh Hasina Kasambhai
Managing Director
(DIN No.- 07733184)**

ANNEXURE -1

Statement of Disclosure of Remuneration under Section 197 (12) of the Companies Act, 2013 and Rules 5(1) of the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014

A. Ratio of remuneration to the median remuneration of the employees of the company for the F.Y. 2020-2021 as well as the percentage increase in remuneration of each director, chief financial officer and company secretary is as under: -

Name of the Director	Ratio to Median Remuneration	% Change in Remuneration over previous Year
Company Secretary		
Siddharth Sharma	Nil	Nil
Managing Director		
Shekh Hasina Kasambhai	Nil	Nil

B. Number of Permanent Employees- 3

C. Explanation on the relationship between average Increase in remuneration and Company Performance

The Compensation and Benefits philosophy of the Company defines that employee remuneration is to be aligned with performance of the Company and individual's contribution in achieving company's goal for the Year. It does mean that Post annual performance process; individual employee's remuneration is revised, taking into account performance of the Company and of the individual employee. At the beginning of the Year, Business goals are decided and cascaded down to various businesses and functions. While effecting revision in remuneration, factors like internal and external parity, market competitiveness, company's overall business strategy are also taken into account.

D. Comparison of the remuneration of the KMP against Performance of the Company: NIL

E. Comparison of average Percentage increase in salary of Employees other than Managerial Personnel: NIL

F. Comparison of Remuneration of Each of the KMP against performance of the Company: NIL

G. The ratio of the remuneration of the highest paid Director to that of employee who are not directors but receive remuneration in excess of the highest paid director during the Year: NIL

H Affirmation

It is affirmed that remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration policy of the Company.

Place: Kolkata

BY ORDER OF THE BOARD

Date: 30.06.2021

Shekh Hasina Kasambhai
Managing Director
(DIN No.- 07733184)

	d) Banks / Financial Institutions									
	e) Any Other									
	Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3605075	0	3605075	19.310	3605075	0	3605075	19.310	0.000
B.	PUBLIC SHAREHOLDING									
(1)	Institutions									
	a) Mutual Funds									
	b) Banks / Financial Institutions									
	c) Central Governments									
	d) State Governments									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) Foreign Institutional Investors (FII)									
	h) Foreign Venture Capital Funds									
	i) Others (Specify)									
	Sub-total (B)(1)	0	0	0	0.000	0	0	0	0.000	0.000
(2)	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	742256	2099500	9522046	51.003	6004226	2099500	8103726	43.406	-7.597
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital up to Rs 1lakh	1419011	167558	1586569	8.498	1304484	167558	1472042	7.885	-0.613
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 l	3569421	357500	3926921	21.034	5110572	357500	5468072	29.289	8.255
	c) Others Specify									
	1. NRI	18348	0	18348	0.098	17348	0	17348	0.093	-0.005
	2. Overseas Corporate Bodies									
	3. Foreign Nationals									
	4. Clearing Members	10616	0	10616	0.057	3312	0	3312	0.018	-0.
	5. Trusts									
	6. Foreign Bodies - D.R.									
	Sub-total (B)(2)	12439942	2624558	15064500	80.690	12439942	2624558	15064500	80.690	0.000
	Total Public Shareholding (B) =	12439942	2624558	15064500	80.690	12439942	2624558	15064500	80.690	0.000

	(B)(1) +(B)(2)									
C.	Shares held by Custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	16045017	2624558	18669575	100.000	16045017	2624558	18669575	100.000	0.000

SHAREHOLDING OF PROMOTERS

SL No.	Shareholder Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in the Shareholding
		No. of Shares	% of Total Shares of the Company	% of Shares pledged encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged encumbered to total shares	
1	Hasina Kasambhai Shekh	1416500	7.587	0.000	1416500	7.587	0.000	0.000
2	Kasambhai Umarbhai Shekh	1416500	7.587	0.000	1416500	7.587	0.000	0.000
3	Robert Resources Limited	772075	4.135	0.000	772075	4.135	0.000	0.000
	TOTAL	3605075	19.310	0.000	3605075	19.310	0.000	0.000

CHANGE IN PROMOTERS' SHAREHOLDING

SI No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HASINA KASAMBHAI SHEKH				
	a) At the Beginning of the Year	1416500	7.587		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1416500	7.587

2	KASAMBHAI UMARBHAI SHEKH				
	a) At the Beginning of the Year	1416500	7.587		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1416500	7.587
3	ROBERT RESOURCES LIMITED				
	a) At the Beginning of the Year	772075	4.135		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			772075	4.135
	TOTAL	3605075	19.310	3605075	19.310

SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS, DIRECTORS ETC)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	ARPAN DAS				
	a) At the Beginning of the Year	324339	1.737		
	b) Changes during the year				
	Date Reason				
	13/11/2020 Transfer	20000	0.107	344339	1.844
	05/03/2021 Transfer	26032	0.139	370371	1.984
	12/03/2021 Transfer	12028	0.139	382399	2.048
	c) At the End of the Year			382399	2.048
02	DEEPSIKHA DEALERS PRIVATE LIMITED				
	a) At the Beginning of the Year	405275	2.171		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			405275	2.171
03	DENEVO MERCHANTS PVT. LTD				
	a) At the Beginning of the Year	755223	4.045		
	b) Changes during the year				
	Date Reason				
	24/07/2020 Transfer	-22000	0.118	733223	3.927
	06/11/2020 Transfer	-28000	0.150	705223	3.777
	13/11/2020 Transfer	-20000	0.107	685223	3.670
	04/12/2020 Transfer	-10000	0.054	675223	3.617
	19/03/2021 Transfer	-14000	0.075	661223	3.542
	26/03/2021 transfer	-2000	0.011	659223	3.531
	c) At the End of the Year			659223	3.531
04	ISHWAR DISTRIBUTORS PRIVATE LIMITED				
	a) At the Beginning of the Year	490387	2.627		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			490387	2.627
05	JEVANJYOTI COMMOSALES PRIVATE LIMITED				
	a) At the Beginning of the Year	531276	2.846		
	b) Changes during the year				
	Date Reason				
	24/07/2020 Transfer	-18000	0.096	513276	2.749
	06/11/2020 Transfer	-22000	0.118	491276	2.631
	13/11/2020 Transfer	-35000	0.187	456276	2.444
	04/12/2020 Transfer	-15000	0.080	441276	2.364
	26/03/2021 Transfer	-2000	0.011	439276	2.353
	c) At the End of the Year			439276	2.353
06	LAGAN BARTER PRIVATE LIMITED.				

	a) At the Beginning of the Year	578238	3.097		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			578238	3.097
07	NEWEDGE VINIMAY PRIVATE LIMITED				
	a) At the Beginning of the Year	830000	4.446		
	b) Changes during the year				
	Date Reason				
	31/12/2020 Transfer	-69000	0.370	761000	4.076
	08/01/2021 Transfer	-34927	0.187	726073	3.889
	15/01/2021 Transfer	-115000	0.616	611073	3.273
	22/01/2021 Transfer	-44500	0.238	566573	3.035
	29/01/2021 Transfer	-35000	0.187	53573	2.847
	05/02/2021 Transfer	-29079	0.156	502494	2.692
	12/02/2021 Transfer	-35000	0.187	467494	2.504
	19/02/2021 Transfer	-25000	0.134	442494	2.370
	26/02/2021 Transfer	-90170	0.483	352324	1.887
	05/03/2021 Transfer	-19830	0.106	332494	1.781
	19/03/2021 Transfer	-26000	0.139	306494	1.642
	c) At the End of the Year			306494	1.642
08	RANDAR BUSINESSES PRIVATE LIMITED				
	a) At the Beginning of the Year	484205	2.594		
	b) Changes during the year				
	Date Reason				
	05/03/2021 Transfer	-81000	0.434	403205	2.160
	12/03/2021 Transfer	-40000	0.214	363205	1.945
	c) At the End of the Year			362205	1.945
09	SANJAY DEY				
	a) At the Beginning of the Year	229944	1.232		
	b) Changes during the year				
	Date Reason				
	23/10/2020 Transfer	20000	0.107	249944	1.339
	13/11/2020 Transfer	22500	0.121	272444	1.459
	04/12/2020 Transfer	8000	0.043	280444	1.502
	31/12/2020 Transfer	4935	0.026	285379	1.529
	01/01/2021 Transfer	10000	0.054	295379	1.582
	08/01/2021 Transfer	5000	0.027	300379	1.609
	15/01/2021 Transfer	16790	0.090	317169	1.699
	29/01/2021 Transfer	9830	0.053	326999	1.752
	05/03/2021 Transfer	38271	0.205	365270	1.956
	c) At the End of the Year			365270	1.956
10	SWAL LIMITED				
	a) At the Beginning of the Year	662750	3.550		
	b) Changes during the year				
	Date Reason				
	16/10/2020 Transfer	-100000	0.536	562750	3.014
	26/02/2020 Transfer	-50000	0.268	512750	2.746
	05/03/2021 Transfer	-119098	0.638	393652	2.109
	12/03/2021 Transfer	-60000	0.321	333652	1.787
	c) At the End of the Year			333652	1.787
11	UJJAL LAHA				

a) At the Beginning of the Year	278944	1.494		
b) Changes during the year				
Date Reason				
24/07/2020 Transfer	8000	0.043	286944	1.537
23/10/2020 Transfer	20000	0.107	306944	1.644
13/11/2020 Transfer	22500	0.121	329444	1.765
04/12/2020 Transfer	7199	0.039	336643	1.803
01/01/2021 Transfer	10000	0.054	346643	1.857
15/01/2021 Transfer	15711	0.084	362354	1.941
22/01/2021 Transfer	10000	0.054	372354	1.994
29/01/2021 Transfer	10000	0.054	382354	2.048
05/03/2021 Transfer	26731	0.143	409085	2.191
c) At the End of the Year			409085	2.191
TOTAL	5570581	29.838	4732504	25.349

SHAREHOLDING OF KMP AND DIRECTORS

Sl No.	Name	SHAREHOLDING AT THE BEGINNING OF THE YEAR		SHAREHOLDING AT THE END OF THE YEAR	
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1	Kasambhai Umarbhai Shekh	1416500	7.587	1416500	7.587
2	Shekh Hasina Kasambhai	1416500	7.587	1416500	7.587
3	Irfan Ahmedbhai Belim	0	0	0	0
4	Navinchandra Amratlal Kothari	0	0	0	0
5	Panchal Nrupesh Kirtikumar	0	0	0	0
6	Siddharth Sharma	0	0	0	0
7	Jyoti Sureshbhai Kantariya	0	0	0	0

5. INDEBTNESS OF THE COMPANY INCLUDING INTEREST: - Nil

6. REMUNERATION OF THE DIRECTORS AND KMP

Sl No.	Particulars of Remuneration	KEY MANAGERIAL PERSON			
		Mr. Navinchandra Amratlal Kothari (₹)	Mr, Siddharth Sharma (₹)	Mrs. Shekh Hasina Kasambhai (₹)	Total (₹)
1	Salary (₹) / P.a.	Nil	84000	360000	444000
	Total (₹) / P.a	Nil	84000	360000	444000

7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/punishment	Authority (RD/NCLT/COURT)	Appeal Made
A. COMPANY					
Penalty Punishment Compounding			NONE		
B. DIRECTORS					
Penalty Punishment Compounding			NONE		
Penalty Punishment Compounding			NONE		

Place: Kolkata
Date: 30.06.201

BY ORDER OF THE BOARD

Shekh Hasina Kasambhai
Managing Director
(DIN No.- 07733184)

Independent Auditor's Certificate on Corporate Governance**the Members of Econo Trade (India) Limited**

We have examined the compliance of conditions of Corporate Governance by M/s Econo Trade (India) Limited for the year ended 31st March, 2021, as stipulated in Chapter VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing agreement of the Said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Guarantee. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the provisions specified in Chapter VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing agreement of the said Company with Stock Exchange.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Anup Pandey & Associates

Company Secretary in Practice ACS No.: 28052

CP No.: 14626

Place: Kolkata

Date: 30.06.2021

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
ECONO TRADE (INDIA) LTD.
CIN – L51109WB1982PLC035466
9/12, Lal Bazar Street, 3rd Floor, Block –B, Room No – 3103,
Kolkata – 700 001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Econo Trade (India) Ltd. 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 March 2021 ('Audit Period') 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 March 2021 according to the provisions of:

- (i) The Companies Act, 1956, as applicable, and 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) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable to the Company;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: Not applicable to the Company during the Audit Period;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable to the Company during the Audit Period;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009– (Not applicable to the Company during the Audit Period); and
-

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – (Notapplicable to the Company during the Audit Period).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited (BSE) Calcutta Stock Exchanges Limited (CSE).

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

I further report that:

The Board of Directors of the Company is properly constituted with proper balance of Executive Director, 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.

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

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 during the audit period no specific events/actions have occurred which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Anup Pandey & Associates
Company Secretary in Practice ACS No.: 28052
CP No.: 14626

Place: Kolkata
Date: 30.06.2021

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

'ANNEXURE A'

To,
The Members
ECONO TRADE (INDIA) LTD.
CIN – L51109WB1982PLC035466
9/12, Lal Bazar Street, 3rd Floor, Block – B,
Room No – 3103, Kolkata – 700 001.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to covid pandemic situation, it was not possible to examine all records and documents physically, so it has been done through online / virtual mode and report has been given as per information provided by the management of company.

Anup Pandey & Associates
Company Secretary in Practice ACS No.: 28052
CP No.: 14626

Place: Kolkata
Date: 30.06.2021

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 Econo Trade (India) Limited

9/12, Lal Bazar Street, Block-B, 3rd Floor,

Room No.3103, Kolkata-700001

I have examined the relevant registers, records, forms, returns and disclosure received from the directors of **ECONO TRADE (INDIA) LIMITED** (herein after referred to as “the Company”) having **CIN: L51109WB1982PLC035466** and having registered office at **9/12 LAL BAZAAR STREET, 3RD FLOOR, BLOCK - B, ROOM NO. 3103 KOLKATA – 700001, WEST BENGAL, INDIA**, produced before us 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 of India (Listing obligations and disclosure Requirements) Regulations, 2015.

In our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st 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.:

<u>Sr.No.</u>	<u>Name of Director</u>	<u>DIN</u>	<u>Date of appointment in Company</u>
2.	Shekh Hasina Kasambhai	07733184	21/07/2018
3.	Irfan Ahmedbhai Belim	08010290	26/12/2017
4.	Panchal Nrupesh Kirtikumar	08184985	29/09/2018
5.	Jyoti Sureshbhai Kantariya	08385987	23/09/2019

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

Anup Pandey & Associates
Company Secretary in Practice ACS No.: 28052
CP No.: 14626

Place: Kolkata
Date: 30.06.2021

Certification by Managing Director and Chief Financial Officer of the Econo Trade (India) Limited

We, **Shekh Hasina Kasambhai, Managing Director** and **Navinchandra Amratlal Kothari, Chief Financial Officer** of **M/s Econo Trade (India) Limited,**

to the best of our knowledge and belief, certify that:

- a) We have reviewed the Financial Statements and Cash Flow Statements for the year ended 31st March 2021 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the Year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal control for the financial reporting and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) Significant Changes in Internal Control during the Year;
- e) Significant Changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements;
- f) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control.

Place: Kolkata
Date: 30.06.2021

Shekh Hasina Kasambhai
Managing Director

Navinchandra Amratlal Kothari
Chief Financial Officer

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. The Composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally. Your Company is committed to all its Customers, Suppliers, Employees, Banks and financial institutions, government agencies and statutory authorities which are directly or indirectly concerned with the Company.

B. Board of Directors

As on 31st March, 2021, the Company's Board of Directors consist of 4 (Four) members. The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have in depth knowledge of the business.

(i) Composition and category as on 31st March 2021

Category	No. of Directors	%
Non-Executive and Independent Directors	3	75
Non-Executive and Non-Independent Director	0	0
Whole-time Director	0	0
Managing Director	1	25
Total	4	100%

(ii) Particulars of Directorship of other Companies

Name and Designation of Director	Name of the Company	Position
Mr. Shekh Hasina Kasambhai	Robert Resources Limited	Director
Mr. Irfan Ahmedbhai Belim	N.A.	-
Mr. Panchal Nrupesh Kirtikumar	Purple Entertainment Limited Kanungo Financiers Ltd	Director Director
Mrs. Jyoti Sureshbhai Kantariya	Robert Resources Limited	Director

C) Meetings and Attendance

The Meeting of the Board are generally held at the registered office address at 9/12, Lal Bazar Street, Block-B, 3rd Floor, Room No.3103, Kolkata-700001. During the year under review, Six Board meetings were held on during the financial year from 1st April 2020 to 31st March 2021. The dates on which meetings were held are as follows:

30 Jul 2020, 15 Sep 2020, 11 Nov 2020 & 13 Feb 2021

D) Board Agenda

The Board meeting are scheduled well in time and Board members are given a notice of more than Seven days before the meeting date except in case of emergent meeting. The Board members are provided with well-structured and comprehensive agenda papers.

E) Independent Directors

The Company has complied with the definitions of Independence as per regulation 27 as per Securities and exchange Board of India Regulation and according to the Provisions of Section 149(6) of the Companies Act, 2013.

F) Independent Directors Meetings

During the Year under review, the Independent Director Met on, 30.07.2021 and 13.02.2021 inter alia to Discuss: -

- Evaluation of the Performance of the Non-Independent Directors and the Board of Directors as a Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors
- Evaluation of the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for the board to effectively and reasonably perform its duties effectively.

G) Shareholding of Directors

<u>Names</u>	<u>No. of Shares held</u>
Kasambhai Umarbhai Shekh	1416500
Shekh Hasina Kasambhai	1416500
Panchal Nrupesh Kirtikumar	NIL
Irfan Ahmedbhai Belim	NIL
Jyoti Sureshbhai Kantariya	NIL

H) General Body Meetings

Location and time where last three Annual General Meetings were held:

FY	Date	Venue	Time	Special Resolutions Passed
2019-20	28.09.2020	9/12 Lal Bazar Street, B Block, 3 rd Floor, Kolkata-700001	11.00 A.M	Yes
2018-19	23.09.2019	Bharatiya Bhasha Parishad 36-A, Shakespeare Sarani, Kolkata – 700017	02.00 P.M	Yes
2017-18	29.09.2018	3, Waterloo Street, Kolkata - 700069	11.00 A.M.	Yes

a. Details of Extra-ordinary General Meeting held during the year- No EGM has been conducted by the company.

b. Details of Special Resolution is proposed to be conducted through postal ballot- No

I) Disclosures

There are no materially significant transactions with the related parties viz. promoters, directors, relatives, the management, subsidiaries etc., that may have a potential conflict with the interest of the company at large.

There has been no delay in compliances by the Company.

J) Means of Communication

The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results on quarterly, half yearly basis and yearly basis. The results are not sent individually to Shareholders.

The company has developed its website. All information relating to shareholder and public at large can be viewed by logging into the Website.

K) Code of Conduct

The Company has laid down the code of conduct for its directors. The object of the code is to conduct the company's business ethically and with responsibility, integrity, fairness, transparency and honesty.

L) Registrar and Transfer Agents and Share Transfer System

M/s Niche Technologies Pvt Ltd is your Company's Share Transfer Agent. Share transfer in physical form and other communications regarding shares, Change of Address etc. may be addressed to:

	d) Banks / Financial Institutions									
	e) Any Other									
	Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3605075	0	3605075	19.310	3605075	0	3605075	19.310	0.000
B.	PUBLIC SHAREHOLDING									
(1)	Institutions									
	a) Mutual Funds									
	b) Banks / Financial Institutions									
	c) Central Governments									
	d) State Governments									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) Foreign Institutional Investors (FII)									
	h) Foreign Venture Capital Funds									
	i) Others (Specify)									
	Sub-total (B)(1)	0	0	0	0.000	0	0	0	0.000	0.000
(2)	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	7422546	2099500	9522046	51.003	6004226	2099500	8103726	43.406	-7.597
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs 1 lakh	1419011	167558	1586569	8.498	1304484	167558	1472042	7.885	-0.613
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 l	3569421	357500	3926921	21.034	5110572	357500	5468072	29.289	8.255
	c) Others Specify									
	1. NRI	18348	0	18348	0.098	17348	0	17348	0.093	-0.005
	2. Overseas Corporate Bodies									
	3. Foreign Nationals									
	4. Clearing Members	10616	0	10616	0.057	3312	0	3312	0.018	-0.039
	5. Trusts									
	6. Foreign Bodies - D.R.									
	Sub-total (B)(2)	12439942	2624558	15064500	80.690	12439942	2624558	15064500	80.690	0.000
	Total Public Shareholding (B) =(B)(1)+(B)(2)	12439942	2624558	15064500	80.690	12439942	2624558	15064500	80.690	0.000
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A+B+C)	16045017	2624558	18669575	100.000	16045017	2624558	18669575	100.000	0.000

O) Listing with Stock Exchange

The Equity shares of the Company are currently listed for trading under Group **XD** of the BSE Limited. Company confirms that it has paid listing Fees to BSE for the Year 2021-21

Market Price data

Month	Open	High	Low	Close
Apr 20	2.65	2.85	2.65	2.71
May 20	2.84	2.84	2.46	2.46
Jun 20	2.46	2.83	2.24	2.57
Jul 20	2.65	4.20	2.65	4.20
Aug 20	4.20	5.40	4.20	5.15
Sep 20	5.05	5.06	4.75	4.75
Oct 20	4.75	4.75	4.19	4.40
Nov 20	4.40	8.24	4.40	7.80
Dec 20	8.19	8.44	6.90	7.20
Jan 21	7.56	8.90	6.83	7.02
Feb 21	7.37	7.63	5.49	6.07
Mar 21	6.07	6.15	3.65	3.65

P) General Shareholder Information Annual General Meeting: (through Video Conferencing (VC) / Other Audio-Visual Means (OAVM))

Date	28.09.2021
Time	12.00 PM
Financial Year	2020-2021
Book Closure Date	22 nd September 2021 to 28 th September 2021
Listing on Stock Exchange	CSE LTD. (Scrip Code: 015111) & BSE LTD. (Scrip Code: 538708)
ISIN No.	INE937K01014

Q) Vigil Mechanism/ Whistle blower Policy

In accordance with the requirements of section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 2015, the Company has formulated a “vigil Mechanism/ Whistle Blower Policy” which provides an avenue to the Directors and employees of the Company to directly report, their genuine concerns including unethical behavior and violation of code of conduct, to the chairman of the Audit Committee.

No person has been denied access to the chairman of the Audit committee of the Board of Directors of the Company.

R) Stakeholders' Relationship Committee

The shareholder'/Investors' Grievance Committee of the Board has been constituted to look into complaints like transfer of shares, Non-receipt of Dividend etc. The committee is headed by Mr. Irfan Ahmedbhai Belim as Chairman, and Mrs. Shekh Hasina Kasambhai and Mr. Panchal Nrupesh Kirtikumar. Four meetings of the committee were held during the year ended 30.07.2020, 15.09.2020, 11.11.2020 and 13/02/2021 No compliant had been received during the year.

S) Audit Committee

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of accounting, auditing and reporting practice of the company and its compliance with legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the company, the audit of the Company's Financial Statements, the appointments of Auditor, Independent Performance and remuneration of the Statutory Auditors.

During the year under review, four meetings of the committee were held during the year 30.07.2020, 15.09.2020, 11.11.2020 and 13/02/2021.

The composition of the committee and attendance at its meeting is given below:

Name of Director	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Irfan Ahmedbhai Belim	Chairman**	4	4
Mr. Panchal Nrupesh Kirtikumar	Member	4	4
Mrs. Jyoti Sureshbhai Kantariya	Member	4	4

T) Nomination and Remuneration Committee

The 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, Key Managerial personnel and other employees.

The Nomination and Remuneration committee of the Company consist of three Directors.

No. of committee Meeting

During the year the Committee had four (4) Meeting i.e on 30.07.2020, 15.09.2020, 11.11.2020 and 13/02/2021.

Name, Composition and attendance during the Financial Year 2020-21

Name of Director	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Irfan Ahmedbhai Belim	Chairman**	4	4
Mr.Panchal Nrupesh Kirtikumar	Member	4	4
Mrs. Jyoti Sureshbhai Kantariya	Member	4	4

U) SEBI Complaints Redressal Systems (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web-based redress system and online Redressal of all the shareholders complaints. The Company is in compliance with the Scores and redressed the shareholders complaints well within the stipulated time.

V) Address of Registered Office

9/12, Lal Bazar Street, Block-B, 3rd Floor, Room No. 3103, Kolkata-700001.

X) Reconciliation of Share Capital Audit: -

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and paid up Capital. The audit is carried out every quarter and the report thereon are submitted to the Stock Exchange and is placed before the Board of Directors of the Company.

Y) Corporate Identity Number

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate affairs, Government of India is L51109WB1982PLC035466

Z) Green Initiative in the Corporate Governance

As part of the Green Initiative process, the Company has taken an initiative of Sending Documents like Notice calling of Annual General Meeting, Corporate Governance report, Directors Report, audited financial Statements, Auditor's Report etc. Physical Copies are sent only to those shareholders whose email address is not registered with the Company. Shareholders are requested to register their email id with the registrar and share transfer Agent/Concerned Depository to enable the Company to send the Documents in electronic form or inform the Company in case they wish to receive the above documents in paper mode.

Place: Kolkata

BY ORDER OF THE BOARD

Date: 30.06.2021

Kasambhai Umarbhai Shekh
Managing Director
(DIN No. 07498438)

The Companies' main object is Non-Banking Finance activities. The market for this activity offers high potential for growth. The Company is giving Loan and Inter Corporate Deposit to the corporate client and is operating from Kolkata. There have been a number of causes behind growth of Indian Economy in last couple of years.

Industrial Structure and Developments

The domestic retail inflation continued to be moderate despite increase in global commodity prices. The Country is having normal monsoon as well which should help in keeping the food prices under control. A good monsoon will also boost the rural economy which in turn will enhance demand of various commodities. In view of lower inflation, RBI has reduced Repo rate. The Companies engaged in the financial sector will benefit from the lower rate of interest. The Company's core business is investment in shares and securities. During the year under review, capital market conditions were not conducive which have been reflected in the profitability of the Company.

Opportunities and Threats

The Company being a Non-Banking Financial Company is primarily engaged in the business of making investments in shares and securities. On account of stable Government and various financial reforms undertaken by the Government, the Stock Market is expected to remain bullish which is likely to enhance the value of listed share held by the Company.

In a volatile stock market, the Company is exposed to the risk of fluctuation in share prices. This however is not likely to affect the working of the Company as a major part of the investments are held on long term basis and temporary fluctuations of those shares in the stock market do not have much financial implication to the Company.

However, the company gives continuous effort to frequently examine the ups and downs of the market particularly taking into consideration that the Company being a small size NBFC and there are plenty of hindrances which may hamper its growth.

Segment Wise Performance

The Company being a Non-Banking Financial Company operates mainly under a single segment viz Investments in Shares and Securities.

Risk and Concern

The Company's business is very much dependent on Monetary and Financial Policies of the Government and RBI. Any slowdown of the economic growth or volatility in the global as well as domestic financial market could adversely affect the Company's business. The Management has to regularly monitor the changing market conditions. The business strategy needs to be examined and modified properly to meet the transformed situation.

Outlook

Earnings of the Company depend on the performance of the Companies where the Company has invested funds in equities. With better growth prospects continuing with a stable Government at the Centre who has been taking measures for several financial reforms, the economy is expected to grow faster, offering better environment for the industries to perform better. The Companies where the Company has invested its funds are expected to improve their performance. As a result, the Company hopes to generate higher income in the form of dividend, profit on shares, interest and other income in the current year. In view of this, barring unforeseen circumstances, the Company is expected to do well in the current year. However, the nature of capital market in which the Company operates is not predictable with certainty. Any Slowdown of the economic growth or volatility in global as well as domestic financial market could adversely affect the Company's business.

Discussion on Financial Performance with respect to Operational Performance

This section is covered in the Board's Report under the section of Financial Results and Operations.

Material Developments in Human Resources / Industrial Relations front including number of people employed

There is no Material Development in Human Resources front. The Company maintains harmonious relationship with its employees. The Company is having 2 persons employed currently.

Cautionary Statement

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

By order of the Board

**Place: - Kolkata
Date: -30.06.2021**

**Kasambhai Umarbhai Shekh
Managing Director
(DIN No.- 07498438)**

INDEPENDENT AUDITOR'S REPORT

To the Members of **ECONO TRADE (INDIA) LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Opinion**

We have audited the accompanying financial statements of **Econo Trade (India) Limited** (hereinafter referred to as the "Company") which comprise the Balance Sheet as at March 31, 2021, and the statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred to as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, the changes in equity and its cash flows for the year then ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than Financial Statements & Auditors Report thereon

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis (but does not include the financial statements and our auditor's reports thereon).

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends

to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

I. 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.

II. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income and the Cash Flow Statement, Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to or separate report in “Annexure B”.
- (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, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (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) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 29 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There Company does not have any requirement to transfer any amount to the Investor Education and Protection Fund.

For, For, H S K & CO LLP
Chartered Accountants
Firm Reg. No. 117014W/W100685

CA. Sudhir Shah
Partner Membership No. 115947
UDIN: 21115947AAAAEG5837

Place: Ahmedabad
Date: 30.06.2021

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph I under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the financial statements of Econo Trade (India) Limited (hereinafter referred to as the “Company”) for the year ended March 31, 2021:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. According to information and explanation given to us, no material discrepancies were noticed on such verification.
(c) The title deeds of immovable properties are held in the name of the company.
2. According to information and explanation given to us, inventory has been physically verified at reasonable intervals by the management during the year and no material discrepancies were noted.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 (hereinafter referred to as “the Act”). Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Act in respect of making investments. The company has not granted loan or given guarantee or provided security as provided in section 185 and 186 of the Act.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the Company and hence not commented upon.
6. According to information and explanation given to us, the Central Government has not prescribed the maintenance of Cost Records under section 148(1) of the Act.
7. According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records,
(a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
b) According to the information and explanations given to us, the dues of Income Tax, Goods and Services Tax, Duty of Customs, Cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute are as under:

Name of statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	1,36,73,590	AY 2012-13	CIT(Appeal) Kolkata - 3
The Income Tax Act, 1961	Income Tax	54,24,140	AY 2014-15	CIT(Appeal) Kolkata - 3

8. According to the information and explanations given by the management, the Company does not have any loans or borrowing from financial institution, banks, government and had not issued any debentures. Accordingly, provision of clause 3(viii) of the Order is not applicable to the Company and hence not commented upon.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year and the term loans were applied for the purpose for which they are raised.
10. According to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given by the management, the managerial remuneration has been paid or provided in due compliance of section 197 read with Schedule V to the Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Act and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the

Company and hence not commented upon.

16. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate of Registration No. B.05.02244 dated 16.05.1998.

For, For, H S K & CO LLP
Chartered Accountants
Firm Reg. No. 117014W/W100685

CA. Sudhir Shah
Partner Membership No. 115947
UDIN: 21115947AAAAEG5837

Place: Ahmedabad

Date: 30.06.2021

“Annexure B” to the Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of Econo Trade (India) Limited (hereinafter referred to as 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 management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting (hereinafter referred to as “Guidance Note”) issued by the Institute of Chartered Accountants of India (hereinafter referred to as “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 (hereinafter referred to as “the Act”).

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 and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose 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, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For, For, H S K & CO LLP
Chartered Accountants
Firm Reg. No. 117014W/W100685

CA. Sudhir Shah
Partner Membership No. 115947
UDIN: 21115947AAAAEG5837

Place: Ahmedabad
Date: 30.06.2021

Econo Trade India Limited
Balance Sheet as at 31 March 2021
(All amounts in ₹, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	3	23,37,723	15,78,22,428
(b) Loans	4	20,42,69,258	11,54,46,172
(c) Investments	5	12,42,01,646	6,70,31,568
(d) Other financial assets	6	7,38,11,382	3,41,52,320
		<u>40,46,20,009</u>	<u>37,44,52,488</u>
Non-financial Assets			
(a) Current tax assets (net)	20(b)	1,23,31,882	1,14,59,035
(b) Deferred Tax Assets	7	-	17,888
		<u>1,23,31,882</u>	<u>1,14,76,923</u>
Total Assets		<u><u>41,69,51,891</u></u>	<u><u>38,59,29,411</u></u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Borrowings (other than debt securities)	8	2,25,69,636	-
(b) Other financial liabilities	9	9,15,897	5,83,534
		<u>2,34,85,533</u>	<u>5,83,534</u>
Non-Financial Liabilities			
(a) Current tax liabilities (net)	20(a)	81,64,085	72,14,085
(b) Other non-financial liabilities	10	9,52,710	9,11,460
		<u>91,16,795</u>	<u>81,25,545</u>
Equity			
(a) Equity share capital	11	18,66,95,750	18,66,95,750
(b) Other equity	12	19,76,53,813	19,05,24,582
		<u>38,43,49,563</u>	<u>37,72,20,332</u>
Total Liabilities and Equity		<u><u>41,69,51,891</u></u>	<u><u>38,59,29,411</u></u>

Notes 1 - 32 form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date.

For H S K & CO LLP
Chartered Accountants
Firm's Reg. No. : 117014W/W100685

Sudhir S, Shah
Partner
Membership No. 115947
Place: Ahmedabad
Date: 30 June 2021

For and on behalf of the Board of Directors
Econo Trade India Limited

Director
(DIN:07733184)
Place: Kolkata

Director
(DIN:08010290)
Place: Kolkata

Chief Financial Officer
Place: Kolkata
Date: 30 June 2021

Company Secretary
Place: Kolkata

Econo Trade India Limited**Statement of Profit and Loss for the year ended 31 March 2021**

(All amounts in ₹, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations			
(a) Interest income	13	1,84,75,893	1,68,40,276
(b) Dividend income	14	-	68,471
(c) Net gain on fair value changes	15	29,40,504	19,37,237
		<u>2,14,16,397</u>	<u>1,88,45,984</u>
Other income	16	-	49,500
Total Income		<u>2,14,16,397</u>	<u>1,88,95,484</u>
Expenses			
(a) Finance costs	17	12,49,736	-
(b) Employee benefits expenses	18	9,26,758	10,59,700
(c) Other expenses	19	93,11,823	1,14,05,731
Total Expenses		<u>1,14,88,316</u>	<u>1,24,65,431</u>
Profit before tax		<u>99,28,081</u>	<u>64,30,053</u>
Tax Expense:	20		
(a) Current tax		28,00,000	18,50,000
(b) Deferred tax		17,888	-
(c) Prior year taxes		(19,038)	-
		<u>27,98,850</u>	<u>18,50,000</u>
Profit for the year		<u>71,29,231</u>	<u>45,80,053</u>
Other Comprehensive Income			
(a) (i) Items that will not be reclassified to profit or loss			
- Fair valuation of equity and preference instruments through other comprehensive income		-	-
- Remeasurement benefit of defined benefit plans		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>71,29,231</u>	<u>45,80,053</u>
Earnings per equity share	21		
Basic (₹)		0.38	0.25
Diluted (₹)		0.38	0.25

Notes 1 - 32 form an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For H S K & CO LLP

Chartered Accountants

Firm's Reg. No. : 117014W/W100685

Sudhir S, Shah

Partner

Membership No. 115947

Place: Ahmedabad

Date: 30 June 2021

For and on behalf of the Board of Directors

Econo Trade India Limited**Director****(DIN:07733184)**

Place: Kolkata

Director**(DIN:08010290)**

Place: Kolkata

Chief Financial Officer

Place: Kolkata

Date: 30 June 2021

Company Secretary

Place: Kolkata

Econo Trade India Limited**Statement of Changes in Equity for the year ended 31 March 2021**

(All amounts in ₹ , unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
A. Equity Share Capital		
Balance at the beginning of the year	18,66,95,750	18,66,95,750
Changes in equity share capital during the year	-	-
Balance at the end of the year	<u>18,66,95,750</u>	<u>18,66,95,750</u>

B. Other Equity

Particulars	Reserves and Surplus				Other comprehensive income	Total
	Amalgamation Reserve	Securities Premium	Statutory Reserves	Retained Earnings	Fair valuation of equity Instruments through Other Comprehensive Income	
Balance at 31 March 2019	16,02,19,352	78,00,000	33,00,119	1,46,25,058	-	18,59,44,529
Profits for the year	-	-	-	45,80,053	-	45,80,053
Transferred to statutory reserves	-	-	9,16,011	(9,16,011)	-	-
Items of other comprehensive income:						
- Remeasurement of defined benefit plans	-	-	-	-	-	-
- Net fair value gain on investment in equity and preference instruments through OCI	-	-	-	-	-	-
- Tax impact	-	-	-	-	-	-
Balance at 31 March 2020	16,02,19,352	78,00,000	42,16,130	1,82,89,101	-	19,05,24,582
Profits for the year	-	-	-	71,29,231	-	71,29,231
Transferred to statutory reserves	-	-	14,25,846	(14,25,846)	-	-
Items of other comprehensive income:						
- Remeasurement of defined benefit plans	-	-	-	-	-	-
- Net fair value gain on investment in equity and preference instruments through OCI	-	-	-	-	-	-
- Tax impact	-	-	-	-	-	-
Balance at 31 March 2021	16,02,19,352	78,00,000	56,41,976	2,39,92,485	-	19,76,53,813

Notes 1 - 32 form an integral part of these financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

For H S K & CO LLP

Chartered Accountants

Firm's Reg. No. : 117014W/W100685

Sudhir S, Shah

Partner

Membership No. 115947

Place: Ahmedabad

Date: 30 June 2021

For and on behalf of the Board of Directors

Econo Trade India Limited**Director****(DIN:07733184)****Place: Kolkata**

Director

(DIN:08010290)

Place: Kolkata

Chief Financial Officer

Place: Kolkata

Date: 30 June 2021

Company Secretary

Place: Kolkata

Econo Trade India Limited**Cash flow statement for the year ended 31 March 2021**

(All amounts in ₹, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	99,28,081	64,30,053
Adjustments for:		
Net gain on fair value changes	(29,40,504)	(19,37,237)
Operating profit before working capital changes	69,87,577	44,92,816
Adjustments for changes in working capital		
Decrease/ (increase) in loans	(8,88,23,086)	13,66,96,471
Decrease/ (increase) in other financial assets	(3,96,59,062)	(40,32,467)
Decrease/ (increase) in fixed deposit	(5,45,78,279)	(6,33,26,015)
(Decrease) / increase in other financial liabilities	3,32,363	30,320
(Decrease) / increase in other non financial liabilities	41,250	-
Cash generated from operating activities	(17,56,99,237)	7,38,61,125
Income tax paid (net of refunds)	(27,03,809)	-
Net cash generated from operating activities	(A) (17,84,03,046)	7,38,61,125
B. Cash flow from investing activities		
Sale of investments	3,48,706	6,40,91,336
Net cash used in investing activities	(B) 3,48,706	6,40,91,336
C. Cash flow from financing activities		
Increase in Bank Overdraft	2,25,69,636	-
Net cash generated from / (used in) financing activities	(C) 2,25,69,636	-
Net increase / (decrease) in cash and cash equivalents	(A+B+C) (15,54,84,705)	13,79,52,462
Cash and cash equivalents as at beginning of the year	15,78,22,428	1,98,69,966
Cash and cash equivalents as at end of the year	23,37,723	15,78,22,428
Notes:		
(i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".		
(ii) Cash and cash equivalents comprises of:		
Cash on hand	31,433	3,48,288
Balances with banks		
- In current accounts	23,06,290	15,74,74,140
	23,37,723	15,78,22,428

This is the Cash flow Statement referred to in or report of even date.

For H S K & CO LLP
Chartered Accountants
Firm's Reg. No. : 117014W/W100685

Sudhir S, Shah
Partner
Membership No. 115947
Place: Ahmedabad
Date: 30 June 2021

For and on behalf of the board of directors
Econo Trade India Limited

Director
(DIN:07733184)
Place: Kolkata

Director
(DIN:08010290)
Place: Kolkata

Chief Financial Officer
Place: Kolkata
Date: 30 June 2021

Company Secretary
Place: Kolkata

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

1 (a) Corporate Information

Econo Trade India Limited ("the Company") is a public limited company domiciled in India and registered under the provisions of the Companies Act, 1956. The Company is a non-deposit taking non-systemically Important Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("the RBI") and is engaged in the business of providing loans and making investments in shares and securities.

(b) Basis of preparation of financial statements

These financial statements has been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act 2013 ('the Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time ('Ind AS') along with other relevant provisions of the Act; the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by Reserve Bank of India (RBI) (as amended) and the regulatory guidance on implementation of Ind AS as notified by the RBI vide notification dated 13 March 2020.

The Guidance Note on Division III - Schedule III to the Act issued by the Institute of Chartered Accountants of India ("ICAI") has been followed insofar as they are not inconsistent with any of these Directions

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

(c) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 27.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business.
- The event of default.
- The event of insolvency or bankruptcy of the Company and/or its counterparties.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as 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.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

(e) Application of new accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2 Significant accounting policies

2.01 Revenue recognition

Interest income (Effective interest rate method)

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges). If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets net of upfront processing fees. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Trading income

Trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

2.02 Financial instruments

Point of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as per the principles of the Ind AS. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts mentioned below:

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Subsequent measurement of financial liabilities

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2 Significant accounting policies (cont'd)

2.02 Financial instruments (cont'd)

Subsequent measurement of financial assets

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset; and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- (a) Financial assets measured at amortized cost
- (b) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets measured at fair value through profit or loss (FVTPL)

(a) Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- (i) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and cash equivalents, other bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

(b) Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- (i) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt and equity instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of profit and loss under 'Other Comprehensive Income (OCI)'. However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss. On de-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss, except for instruments which the Company has irrevocably elected to be classified as equity through OCI at initial recognition, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and they are not held for trading. The Company has made such election on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in the statement of profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

(c) Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Financial assets or financial liabilities held for trading:

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2 Significant accounting policies (cont'd)

2.02 Financial instruments (cont'd)

De-recognition:

(a) Financial asset:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset. A regular way purchase or sale of financial assets has been derecognised, as applicable, using trade date accounting.
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the Financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

(b) Financial liability:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets:

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2 Significant accounting policies (cont'd)

2.03 Fair Value

The Company measures its financial instruments at fair value in accordance with the accounting policies mentioned above. 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 (unadjusted) - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

- Level 3 - Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

2.04 Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly 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 recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company has not recognised a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

- the parent, investor, joint venture or joint operator is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

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 items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2 Significant accounting policies (cont'd)

2.04 Income taxes (cont'd)

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

2.05 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.06 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

2.07 Employee Benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2 Significant accounting policies (cont'd)

2.08 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

2.09 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.10 Property, plant & equipment

Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

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

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2 Significant accounting policies (cont'd)

2.10 Property, plant & equipment (cont'd)

Capital work-in-progress and capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-financial assets.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the written down value method based on the useful life of the asset as prescribed in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the underlying lease term on a straight line basis. Individual assets costing less than INR 5,000 are depreciated in full in the year of acquisition.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

2.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. 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. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

	<u>As at 31 March 2021</u>	<u>As at 31 March 2020</u>
3 Cash and cash equivalents		
Cash on hand	31,433	3,48,288
Balances with banks in current account	23,06,290	15,74,74,140
	<u>23,37,723</u>	<u>15,78,22,428</u>

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Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

4 Loans

	As at 31 March 2021	As at 31 March 2020
(A) Loans		
Secured		
Loans against securities	5,04,64,257	25,69,767
Unsecured		
Loan to others	15,37,40,001	11,28,11,405
Total (A) - Gross	20,42,04,258	11,53,81,172
Less: Impairment allowance	-	-
Total (A) - Net	20,42,04,258	11,53,81,172
(B) Security Deposit		
Unsecured	65,000	65,000
Total (B) - Gross	65,000	65,000
Less: Impairment loss allowance	-	-
Total (B) - Net	65,000	65,000
Total (A+B)	20,42,69,258	11,54,46,172

Econo Trade India Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

5 Investments

Investments	As at 31 March 2021			As at 31 March 2020		
	Amortised Cost	Through profit or loss	Total	Amortised Cost	Through profit or loss	Total
Equity Instruments	-	62,97,353	62,97,353	-	37,05,554	37,05,554
Fixed Deposit	11,79,04,294	-	11,79,04,294	6,33,26,015	-	6,33,26,015
Total Gross (A)	11,79,04,294	62,97,353	12,42,01,646	6,33,26,015	37,05,554	6,70,31,568
(i) Investments outside India	-	-	-	-	-	-
(i) Investments in India	11,79,04,294	62,97,353	12,42,01,646	6,33,26,015	37,05,554	6,70,31,568
Total (B)	11,79,04,294	62,97,353	12,42,01,646	6,33,26,015	37,05,554	6,70,31,568
Less: Allowance for impairment loss (C)	-	-	-	-	-	-
Total Net (D)=(A)-(C)	11,79,04,294	62,97,353	12,42,01,646	6,33,26,015	37,05,554	6,70,31,568

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Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

5 Investments (cont'd)

	Face value	As at 31 March 2021		As at 31 March 2020	
		Number	Amount	Number	Amount
(a) Investment in equity instruments					
Quoted					
(Non-trade, measured at FVTPL)					
Real Touch Finance Limited	10	2,462	11,695	2,462	47,270
Kwality Credit & Leasing Limited	10	36,000	3,28,680	36,000	3,35,160
GHCL Limited	10	2,000	4,60,500	2,000	1,77,500
Mayukh Dealtrade Ltd	10	1,50,000	36,37,500	1,50,000	15,15,000
Radhagobind Commercial Ltd	10	50	500	50	2,020
Radhashree Finance Ltd	10	100	1,000	100	360
Sacheta Metals Limited	10	1,16,602	17,37,078	1,16,602	16,04,444
Stampade Capital DVR Limited	10	70,000	1,20,400	70,000	23,800
Total			62,97,353		37,05,554
(b) Investment in Fixed Depsot					
Fixed Deposit with Bank			11,79,04,294		6,33,26,015
Total			11,79,04,294		6,33,26,015
Total Investment			12,42,01,646		6,70,31,568
As at					
31 March 2021					
As at					
31 March 2020					
6 Other financial assets					
Advances against Property			2,68,30,070		1,41,52,320
Receivable from towards sale of shares			4,69,81,312		2,00,00,000
			7,38,11,382		3,41,52,320
7 Deferred Tax Assets					
Deferred Tax Assets			-		17,888
			-		17,888

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
8 Borrowings (other than debt securities)		
Bank Overdraft	2,25,69,636	
	<u>2,25,69,636</u>	<u>-</u>
9 Other financial liabilities		
Dues to employees	6,70,083	42,000
Expenses payables	82,814	3,65,734
Rent Payable	52,500	1,05,000
Audit fees payable	1,10,500	70,800
	<u>9,15,897</u>	<u>5,83,534</u>
10 Other non-financial liabilities		
Statutory dues	41,250	-
Provision on Standard Assets	9,11,460	9,11,460
	<u>9,52,710</u>	<u>9,11,460</u>

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
11 Equity share capital				
Authorized share capital				
Equity shares of ₹ 10 each	1,86,70,000	18,67,00,000	1,86,70,000	18,67,00,000
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	1,86,69,575	18,66,95,750	1,86,69,575	18,66,95,750
		18,66,95,750		18,66,95,750
(a) Reconciliation of equity share capital				
Equity Shares				
Balance at the beginning of the year	1,86,69,575	18,66,95,750	1,86,69,575	18,66,95,750
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	1,86,69,575	18,66,95,750	1,86,69,575	18,66,95,750

(b) Terms and rights attached to equity shares

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share and confer similar right as to dividend and voting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

	As at 31 March 2021		As at 31 March 2020	
	Number	Percentage	Number	Percentage
Equity shares of ₹ 10 each				
Hasina Kasambhai Shekh	14,16,500	7.59%	14,16,500	7.59%
Kasambhai Umarbhai Shekh	14,16,500	7.59%	14,16,500	7.59%
	28,33,000	15.17%	28,33,000	15.17%

(d) No Shares reserved for issue under option & contracts/commitments for sale of shares/ disinvestment, including the terms and amounts.

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
12 Other equity		
Amalgamation Reserve	16,02,19,352	16,02,19,352
Securities premium	78,00,000	78,00,000
Statutory reserves	56,41,976	42,16,130
Retained earnings	2,39,92,485	1,82,89,101
Other comprehensive income	-	-
	<u>19,76,53,813</u>	<u>19,05,24,582</u>

(a) Description of nature and purpose of each reserve:**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

Statutory reserve

The Company is required to create a reserve in accordance with the provisions of Section 45IC of the Reserve Bank of India Act, 1934. Accordingly 20% of the profits after tax for the year is transferred to this reserve at the end of every reporting period.

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Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
13 Interest income		
-on loan	85,77,519	1,47,46,879
-on share funding	27,86,719	6,20,047
-on fixed deposit	71,11,655	14,73,350
	1,84,75,893	1,68,40,276
14 Dividend Income		
Dividend income on investments	-	68,471
	-	68,471
15 Net gain / (loss) on fair value changes		
(a) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) on trading portfolio (held for sale):		
- Investments	25,91,798	(16,21,320)
(ii) on financial instruments designated at fair value through profit or loss:		
- mutual funds	3,48,706	35,58,557
	29,40,504	19,37,237
Fair value changes:		
- Realised	3,48,706	35,58,557
- Unrealised	25,91,798	(16,21,320)
	29,40,504	19,37,237
16 Other income		
NBFC Share Funding A/c Opening Charges	-	49,500
	-	49,500

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Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

	<u>Year ended 31 March 2021</u>	<u>Year ended 31 March 2020</u>
17 Finance costs		
- Interest on overdraft facility	11,32,025	-
- Interest on Income Tax	1,17,711	-
	<u>12,49,736</u>	<u>-</u>
18 Employee benefits expenses		
Salaries and wages	9,11,500	10,54,000
Staff welfare expenses	15,258	5,700
	<u>9,26,758</u>	<u>10,59,700</u>

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
19 Other expenses		
Advertisement	44,958	38,446
Bad Debt Written off	76,20,500	94,74,017
Bank Charges	10,894	45,864
Demat Charges	4,636	4,868
Electric Expenses	12,929	92,937
Filing Fees	3,600	3,100
Fixed Assets w/off	-	61,451
Legal and professional	60,000	72,154
Listing & Custodial fees	5,76,400	4,07,100
Maintenance Office Expenses	38,135	18,180
Penalty	2,18,300	6,12,106
Printing and stationery	20,100	28,550
Postage & Telegram	4,333	6,230
Rent	2,10,000	2,10,000
Registrar Fees	6,639	20,025
Travelling and conveyance	47,115	33,780
Telephone & Internet Expenses	12,350	18,286
Website Expenses	29,028	12,095
General Expenses	1,55,906	1,75,743
Payment to auditors: - Statutory audit	2,36,000	70,800
	93,11,823	1,14,05,731
20 Tax expense		
Current tax	28,00,000	18,50,000
Deferred tax	17,888	-
Prior year taxes	(19,038)	-
	27,98,850	18,50,000
(a) Current tax liabilities:		
Opening balance	72,14,085	53,64,085
Add: During the year	9,50,000	18,50,000
	81,64,085	72,14,085
(b) Current tax assets:		
Opening balance	1,14,59,035	1,02,33,020
Add : During the year	8,72,847	12,26,015
	1,23,31,882	1,14,59,035

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
21 Earnings per share (EPS)		
Net profit attributable to equity shareholders		
Net profit attributable to equity shareholders	71,29,231	45,80,053.25
Nominal value of equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year	1,86,69,575	1,86,69,575
Weighted average number of potential equity shares on account of Preference Shares	-	-
Weighted average number of shares outstanding for diluted EPS	1,86,69,575	1,86,69,575
Basic earnings per share (₹)	0.38	0.25
Diluted earnings per share (₹)	0.38	0.25

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Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

22 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2021. : Nil

Key Management Personnel and their relatives:

Name	Designation
Hasina Kasambhai Shekh	Managing Director
Naveen Kothari	Chief Financial Officer
Siddharth Sharma	Company Secretary

(a) Category wise classification of financial instruments

Particulars	Note	As at	As at
		31 March 2021	31 March 2020
Carried at amortised cost			
Cash and cash equivalents	3		15,78,22,428
Loans	4		11,54,46,172
Investments in Fixed Deposit	5		6,33,26,015
Other financial assets	6		3,41,52,320
Carried at FVTPL			
Investments in Equity Instruments	5		37,05,554
Measured at amortised cost			
Borrowings	8		-
Other financial liabilities	9		5,83,534
			5,83,534

(b) Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

Particulars	As at	As at
	31 March 2021	31 March 2020
Level 1 (Quoted prices in active market)		
Financial assets measured at FVTPL		
		37,05,554

(c) Fair value of assets and liabilities measured at cost/amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, bank deposits, loans, and other financial liabilities approximate their carrying amounts of these instruments.

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

24 Financial risk management

The Company is a Non - Banking Financial Company - Non Deposit taking - Non - Systemically Important (NBFC - ND - NSI) registered with the Reserve Bank of India. On account of its business activities it is exposed to various financial risks associated with financial products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Company has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies needs prior approval of its Board of Directors.

(a) Credit risk

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. Similarly, a lender bears the risk that the borrower may default in the payment of contractual interest or principal on its debt obligations, or both. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(b) Market risk:

Market risk is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. These daily price fluctuations follows its own broad trends and cycles and are more news and transaction driven rather than fundamentals and many a times, it may affect the returns from an investment. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

a. Borrowings

Particulars	As at	As at
	31 March 2021	31 March 2020
Borrowings at variable interest rate	2,25,69,636	-
Borrowings at fixed interest rate	-	-
Total borrowings	2,25,69,636	-
Percentage of borrowings at variable interest rate	100.00%	0.00%

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Company is exposed to price risk arising mainly from investments carried at fair value through FVTPL or FVOCI which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	Carrying value as at	
	31 March 2021	31 March 2020
Investments carried at FVTPL valued using quoted prices in active market	62,97,353	37,05,554

Particulars	Sensitivity analysis on total comprehensive income upon fluctuation of market prices	
	Increase by 10%	Decrease by 10%
	Impact on total comprehensive income for year ended 31 March 2021	6,29,735
Impact on total comprehensive income for year ended 31 March 2020	3,70,555	(3,70,555)

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

24 Financial risk management (cont'd)**(c) Liquidity risk:**

Liquidity refers to the readiness of the Company to sell and realise its financial assets. Liquidity risk is one of the most critical risk factors for Companies which is into the business of investments in shares and securities. It is the risk of not being able to realise the true price of a financial asset, or is not being able to sell the financial asset at all because of non-availability of buyers. Unwillingness to lend or restricted lending by Banks and Financial Institutions may also lead to liquidity concerns for the entities.

The Company maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities. The Company is currently having a mix of both short-term and long-term investments. The management ensures to manage its cash flows and asset liability patterns to ensure that the financial obligations are satisfied in timely manner.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis.

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2021				
Borrowings (other than debt securities)	2,25,69,636	-	-	2,25,69,636
Other financial liabilities	9,15,897	-	-	9,15,897
	2,34,85,533	-	-	2,34,85,533
As at 31 March 2020				
Borrowings (other than debt securities)	-	-	-	-
Other financial liabilities	5,83,534	-	-	5,83,534
	5,83,534	-	-	5,83,534

(d) Inflationary risk:

Inflationary or purchasing power risk refers to the variation in investor returns caused by inflation. It is the risk that results in increase of the prices of goods and services which results in decrease of purchasing power of money, and likely negatively impact the value of investments. The two important sources of inflation are rising costs of production and excess demand for goods and services in relation to their supply. Inflation and interest rate risks are closely related as interest rates generally go up with inflation.

The Company closely monitors the inflation data and analyses the reasons for wide fluctuations thereof and its effect on various sectors and businesses. The main objective is to avoid inflationary risk and accordingly invest in securities and debt instruments that provides higher returns as compared to the inflation in long-term.

25 Capital management

For the purpose of Company's capital management, capital includes issued equity share capital, other equity reserves and borrowed capital less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximize shareholder's value.

The entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio. The entity includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Following table summarizes the capital structure of the Company.

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	2,25,69,636	-
Less: Cash and cash equivalents	23,37,723	15,78,22,428
Adjusted net debt	2,02,31,913	(15,78,22,428)
Total equity (*)	38,43,49,563	37,72,20,332
Net debt to equity ratio	5%	0%

(*) Equity includes capital and all reserves of the Company that are managed as capital.

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ crores, unless otherwise stated)

26 Additional disclosures pursuant to the RBI guidelines and notifications:

	As at
	31 March 2021
	<hr/>
(i) Investments	
A. Value of Investments	
Gross Value of Investments:	
a) In India	12,42,016
b) Outside India	-
Provisions for Depreciation:	
a) In India	-
b) Outside India	-
Net Value of Investments	
a) In India	12,42,016
b) Outside India	-
	<hr/>
B. Movement of provisions held towards depreciation on investments	
Opening Balance	-
Add: Provisions made during the year	-
Less: Write-off/Write-back of excess provisions during the year	-
Closing Balance	-
	<hr/>
(ii) Derivatives	
The Company does not have any derivatives exposure in the current and previous year.	
(iii) Disclosures relating to Securitisation	
The Company does not have any securitisation transactions in the current and previous year.	
(iv) Asset Liability Management	
Disclosures relating to maturity pattern of certain items of assets and liabilities are given in note 27.	
(v) Exposures	
A) Exposure to Real Estate Sector	
Category	
a) Direct Exposure	
i) Residential Mortgages-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	
ii) Commercial Real Estate	-
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -	
a) Residential	-
b) Commercial Real Estate	-
Total exposure to Real estate sector	-
	<hr/>

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ crores, unless otherwise stated)

26 Additional disclosures pursuant to the RBI guidelines and notifications: (cont'd)**As at
31 March 2021****B) Exposure to Capital Market**

i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	62,97,353
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-
vii) bridge loans to companies against expected equity flows / issues;	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-

Total Exposure to Capital Market	62,97,353
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C) Details of financing of parent company products

The Company does not have a parent company and accordingly no disclosures required.

D) Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

E) Unsecured Advances

The Company does not have any unsecured advances for which intangible securities such as charge over rights, license, authority, etc.

(vi) Miscellaneous**A) Registration obtained from other financial sector regulators**

The Company does not have any registrations obtained from other financial sector regulators.

B) Disclosure of Penalties imposed by RBI and other regulators

There have been no penalties imposed on the Company by RBI or other financial sector regulators during the current and previous year.

C) Related Party Transactions

Details of all material related party transactions are disclosed in note 22.

D) Ratings assigned by credit rating agencies and migration of ratings during the year

The Company has not obtained credit ratings from any agencies during the year.

E) Management

Details relating to management discussion and analysis forms part of the annual report.

**Year ended
31 March 2021****(vii) Additional Disclosures****A) Provisions and Contingencies****Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss**

Provisions for depreciation on Investment	-
Provision towards NPA	-
Provision made towards Income tax	28,00,000
Other Provision and Contingencies	-
Provision for loan losses or impairment on financial instruments	-

B) Draw Down from Reserves

There have been no instances of draw down from reserves by the Company during the current and previous year.

Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crores, unless otherwise stated)

26 Additional disclosures pursuant to the RBI guidelines and notifications: (cont'd)

	As at
	31 March 2021
(viii) Additional Disclosures (cont'd)	
C) Concentration of Advances, Exposures and NPAs	
a) Concentration of Advances	
Total Advances to twenty largest borrowers	21,18,24,758
Percentage of Advances to twenty largest borrowers to Total Advances	100.00%
b) Concentration of Exposures	
Total exposure to twenty largest borrowers/customers	-
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	0%
c) Concentration of NPAs	
Total exposure to top four NPA accounts	-
d) Sector-wise NPAs	
	Percentage of
	NPAs to Total
Agriculture & allied activities	-
MSME	-
Corporate borrowers	76,20,500.00
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-
e) Movement of NPAs	
i) Net NPAs to Net Advances (%)	3.60%
ii) Movement of NPAs (Gross)	
a) Opening Balance	-
b) Additions during the year	-
c) Reductions during the year	-
d) Closing balance	-
iii) Movement of Net NPAs	
a) Opening Balance	-
b) Additions during the year	-
c) Reductions during the year	-
d) Closing balance	-
iv) Movement of provisions for NPAs (excluding provisions on standard assets)	
a) Opening Balance	-
b) Provisions made during the year	-
c) Write-off/write-back of excess provisions	-
d) Closing balance	-
f) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	
The Company did not have any overseas assets during the current and previous year.	
g) Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	
The Company did not sponsor any SPVs during the current and previous year.	
(ix) Disclosure of customer complaints	
a) No. of complaints pending at the beginning of the year	-
b) No. of complaints received during the year	-
c) No. of complaints redressed during the year	-
d) No. of complaints pending at the end of the year	-

Note:

(a) Amounts for the current year and comparative years included above are based on financial statements prepared under Ind AS.

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

27 Asset liability management

Maturity pattern of assets and liability as on 31 March 2021:

Particulars	1 to 7 days	8 to 14 days	15 days to 1 month	1 - 2 months	2 - 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	65,000	-	-	-
Advances	-	-	-	-	-	-	-	20,42,04,258	-	-	20,42,04,258
Investments	-	-	-	-	-	-	-	12,42,01,646	-	-	12,42,01,646
Borrowings	-	-	-	-	-	-	2,25,69,636	-	-	-	2,25,69,636

Maturity pattern of assets and liability as on 31 March 2020:

Particulars	1 to 7 days	8 to 14 days	15 days to 1 month	1 - 2 months	2 - 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	65,000	-	-	-
Advances	-	-	-	-	-	-	-	11,53,81,172	-	-	11,53,81,172
Investments	-	-	-	-	-	-	-	6,70,31,568	-	-	6,70,31,568
Borrowings	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. The above information has been considered as per the Asset Liability Management (ALM) Report compiled by the management and reviewed by the ALM Committee.

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Econo Trade India Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

28 Disclosures pursuant to Reserve Bank of India notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of IndAS by Non-Banking Financial Companies

Asset Classification as per RBI norms for the year ended 31 March 2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS (*)	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	(E=C-D)	(F)	(G=D-F)
Performing Assets						
Standard	Stage 1	20,42,04,258	-	20,42,04,258	-	-
	Stage 2	-	-	-	-	-
Subtotal (A)		20,42,04,258	-	20,42,04,258	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Loss	Stage 3	76,20,500.00	-	76,20,500.00	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (B)		76,20,500.00	-	76,20,500.00	-	-
Total (A+B)	Stage 1	20,42,04,258	-	20,42,04,258	-	-
	Stage 2	-	-	-	-	-
	Stage 3	76,20,500.00	-	76,20,500.00	-	-
	Total	21,18,24,758	-	21,18,24,758	-	-

(*) Gross carrying amount as per IndAS represents gross carrying amount including accrued interest and after netting off unamortised loan processing fees.

(This space has been intentionally left blank.)

Econo Trade India Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

29 Contingent Liabilities

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 the company or a 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 extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The details of contingent liabilities are as under:

Particulars	As at 31st March, 2021 (Rs.)	As at 31st March, 2020 (Rs.)
Outstanding Tax Matters:		
1. Demand under Income Tax Act, 1961 for Assessment Year 2012-13 against which appeal has been filed by Company and matter is pending before CIT (Appeals)	13673590	13673590
2. Demand under Income Tax Act, 1961 for Assessment Year 2014-15 against which appeal has been filed by Company and matter is pending before CIT (Appeals)	5424150	5424150

30 Impact of COVID-19 pandemic

COVID-19, a global pandemic has affected the world economy including India, leading to significant decline and volatility in financial markets and decline in economic activities. The national lockdown announced on 23 March 2020 affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of companies and creating huge volatility in the stock markets. As a result, the Company's business is likely to be impacted by lower lending opportunities and decline in carrying value of investments, thereby impacting profitability. The impact of COVID-19 on Company's financial statements remain uncertain and dependent on extent of spread of the pandemic, steps taken by the Government and central bank to mitigate the economic impact, steps taken by the Company and its Investee Companies and the time it takes for economic activities to resume at normal levels as a result of which, actual results may differ.

The stock exchanges, banks and financial institutions were permitted to function during the national lockdown and correspondingly the lending and investment activities of the Company remained operational. Basis the relaxations granted post the lockdown period, the Company's registered office have been made operational. The employees are permitted to work in accordance with the guidelines issued by the Ministry of Home Affairs (MHA) and the respective state governments. The Company's capital and liquidity position remains strong and would continue to be the focus area for the Management. There have been no significant changes to the Company's internal financial control other than providing remote access to some of its key employees during the lockdown to facilitate work from home.

Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the Company is well capitalised with low leverage, widely diversified in terms of its lending and investment activities and has adequate liquidity to service its obligations, sustain its operations and also look at any appropriate investment/lending opportunities.

The Company has maintained adequate provisions on loan assets based on the information available at this point of time including economic forecasts. The extent to which the current pandemic will impact the carrying value of investments and loan receivables is dependent on the future developments, which are highly uncertain at this point in time. The Company believes that it has considered all the possible impact of known events arising out of COVID 19 pandemic in the preparation of these financial statements. The impact assessment of COVID -19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

31 The management of the Company had corrected an error occurred in the Financial Year 2019-20 relating to disclosure in the financial statements. The management had shown amount of Rs. 1,41,52,320 as an addition to "property, plant and equipment" in the Balance Sheet as at 31st March, 2020 and as purchase of fixed assets in "cash flow from investing activities" in the Cash Flow Statement for the year ended 31st March, 2020. But this amount was actually paid as an advance for capital purchase and was not eligible to be recognised as a property, plant and equipment. Thus, the comparative figures for the prior period i.e. Financial Year 2019-20 have been restated with respect to this change in the disclosure in accordance with the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

32 The financial statements are approved for issue by the Board of Directors in its meeting held on 30 June 2021

For H S K & CO LLP

Chartered Accountants

Firm's Reg. No. : 117014W/W100685

Sudhir S, Shah

Partner

Membership No. 115947

Place: Ahmedabad

Date: 30 June 2021

For and on behalf of the Board of Directors

Econo Trade India Limited

Director
(DIN:07733184)
Place: Kolkata

Director
(DIN:08010290)
Place: Kolkata

Chief Financial Officer
Place: Kolkata

Company Secretary
Place: Kolkata

Date: 30 June 2021