

(All amounts in ₹ except share data and unless otherwise stated)

Notes to the financial statements for the year ended 31st March 2020

BRIEF PROFILE

The company is incorporated on 28th June 1994 at Cuttack, Orissa, India. It is a Public limited company by its shares. The company is one of the RBI registered Non-Deposit taking Company NBFC and is into the business of Finance and Investments. The activities of the company includes financing, investing in shares & other securities, Commodities and other related activities of capital market.

The Registered Office of the Company is situated at 18A, B.J.B. Nagar, Bhubaneswar-751014, Orissa.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2020 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2017. The financial statements upto the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability.

1.2 Basis of preparation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.3 Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees rounded off to zero decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

1.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

Income from arbitrage comprises profit / loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as per following:

- i. Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

- ii. Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.
- iii. Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in the Company statement of profit and loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees.
- iv. Profit / loss on sale of securities are determined based on the FIFO cost of the securities sold.
- v. Profit / loss on FNO Segment and Commodity transactions is accounted for as explained below:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Commodity Spot Trading/ Currency Futures and or Equity Index / Stock Options / Currency Options, which are released on final settlement / squaring-up of underlying contracts, are disclosed under "Other current assets". Mark-to-market margin-Equity Index / Stock Futures / Currency Futures representing the amounts paid in respect of mark to market margin is disclosed under "Other current assets".

"Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option, before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealized Profit / (Loss) on all outstanding arbitrage portfolio comprising of Securities and Equity / Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored.

- vi. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.5 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are recognised in profit or loss when the asset is derecognized.

1.6 Impairment of tangible and intangible assets other than goodwill

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined in the case of an individual asset, at the higher of the net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

1.7 Employee benefits:

i. Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

ii. Post-employment benefits:

- a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.
- b) Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the

settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

iii. Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

iv. Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

1.8 Financial instruments:

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

1.9 Write off:

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

1.10 Impairment:

The Company recognizes loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

1.11 Cash and Bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

1.12 Securities premium account:

i. Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

ii. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.13 Borrowing Costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.14 Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

1.15 Foreign Currencies:

- i. The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- ii. In currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

- iii. Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows –
- A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
 - B. income and expenses for each income statement are translated at average exchange rates; and
 - C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.16 Taxation:

Current Tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. 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 all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets in respect of unutilized tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilized tax credits will get realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.17 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised only when:

- i. an Company entity has a present obligation (legal or constructive) as a result of a past event; and
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.18 Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealized gains and losses; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.19 Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

Computation of EPS for Current and previous financial year –

Particulars	31 st March 2020	31 st March 2019
Net profit/(loss) for the year as per Statement of Profit and Loss (₹ in Lakh)	(16.30)	(119.52)
Weighted Average number of equity shares for calculating Basic EPS	10000100	10000100
Weighted Average number of equity shares for calculating Diluted EPS	10000100	10000100
Face value per Share (₹)	10.00	10.00
Basic & Diluted EPS (₹)	(0.16)	(1.20)

1.20 Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.21 Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective):

On March 30, 2020, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

- a) Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments
- b) Ind AS 19— Employee benefits
- c) Ind AS 23 – Borrowing costs

- d) Ind AS 28— investment in associates and joint ventures
- e) Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements
- f) Ind AS 109 — Financial instruments

The Company is in the process of evaluating the impact of such amendments.

1.22 Inventories

The company has converted its investments into its stock-in-trade on the first date of the financial year. The inventories have been valued at the method prescribed in the Accounting Standards.

1.23 Other Income Recognition

Interest on Loan is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income on investments is accounted for when the right to receive the payment is established.

1.24 Purchases

Purchase is recognized on passing of ownership in share based on broker's purchase note.

1.25 Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

1.26 Investments

Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments. Investments are classified into current and long-term investments.

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

1.27 Related Parties

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by AS-18 "Related Party Disclosure" only following related party relationships are covered:

- i. Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);
- ii. Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- iii. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- iv. Key management personnel (KMP) and relatives of such personnel; and
- v. Enterprises over which any person described in (iii) or (iv) is able to exercise significant influence.

1.28 Stock In Trade

Shares are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of Shares.

Units of Mutual Funds are valued at cost or market value whichever is lower. Net asset value of units declared by mutual funds is considered as market value for non-exchange traded Mutual Funds.

1.29 Fair value of Financial Assets and Financial Liabilities

₹ in Lakh

Sr.	Particulars	Fair Value	Note	as at 31st March , 2020	as at 31st March , 2019
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No.		Hierarchy	No.	Carrying Value	Fair Value	Carrying Value	Fair Value
I	Financial Assets						
(a)	At Fair Value :- - Equity, Investment and unquoted Shares		A	807.98	807.98	828.51	890.18
(b)	At Amortised Cost						
	- Trade Receivables			2.00	2.00	-	-
	- Loans, Security Deposit and Others		B	357.00	357.00	341.25	341.25
	- Cash and Cash Equivalents			1.79	1.79	0.07	0.07
	- Other Bank Balances			42.08	42.08	0.79	0.79
	- Other Financial Assets			8.56	8.56	8.85	8.85
	Total Financial Assets				1219.41		1179.47
II	Financial Liabilities						
(a)	At Amortised Cost						
	- Borrowings		B	20.00	20.00	20.00	20.00
	- Trade Payables			513.66	513.66	492.77	492.77
	- Other Financial Liabilities			37.33	37.33	139.65	139.64
	- Short term provision			-	-	-	-
	Total Financial Liabilities				570.99		652.41

The fair value of financial assets and liabilities are included at the amount at which instruments could be exchanged in a current transaction between the willing parties. The following methods and assumptions were used to estimate the fair value:

- The Company has opted to fair value its unquoted equity instruments at its Net Asset Value through Retained Earnings.
- The fair values of cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, short term borrowings, trade payables, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. Company has adopted Effective Interest Rate Method (EIR) for fair valuation of long term borrowings.

1.30 Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

1.31 Financial Risk Management Objectives and Policies:

The Company's activities are exposed to a variety of Financial Risks from its Operations. The key financial risks include Market risk, Credit risk and Liquidity risk.

i. Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk, foreign currency risk, Interest rate risk and other price risk such as Equity price risk and Commodity Price risk.

ii. Foreign Currency Risk:

There are no Foreign Currency transactions during the financial year.

iii. Foreign Currency Sensitivity:

There are no Foreign Currency transactions during the financial year.

iv. Credit Risk:

Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

v. Trade Receivables:

Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well-defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. The Company follows the simplified approach for recognition of impairment loss and the same, if any, is provided as per its respective customer's credit risk as on the reporting date.

vi. Liquidity Risk:

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

1.32 Summary of Significant Accounting Policies General

- Contingent Liabilities & Commitments - Nil
- Additional Information disclosed as per Part II of the Companies Act, 2013 – Nil

1.33 Segment Reporting –

The company is primarily engaged in the single business of trading in shares and securities and there is no reportable secondary segment i.e. geographical segment. Hence, the disclosure requirement of Accounting Standard-17 "Segment Reporting" as notified by Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable.

1.34 Disclosure of Related Party Transactions:

Wholly owned Subsidiary : Not Any
Company under same Management : Unisys Softwares & Holding Industries Ltd.

Companies in which Directors / relatives of Directors are interested:

Name of Related Party	Nature of Transaction	Value (₹ in Lakh)
Blue Circle Services Limited	Investment in Equity Shares	59.90
Warner Multimedia Limited	Investment in Equity Shares	22.03
JMD Ventures Limited	Sale of Shares	2.00
JMD Sounds Limited	Advances Received	0.75
Unisys Softwares & Holding Industries Ltd.	Purchase of Shares	54.43
Scan Infrastructure Limited	N. A.	-
PS IT Infrastructure & Services Limited	N. A.	-
Purbanchal Steels Limited	N. A.	-
Spiral Pack (India) Limited	N. A.	-

List of Related Parties & their Relations & details of Key Managerial Person:

Name	Nature of Relation	Transaction Value (₹ in Lakh)
Mr. Sushil Kumar Purohit	Managing Director	Nil
Mr. Surendra Singh	Chief Financial Officer	2.40
Ms. Shradha Purohit	Company Secretary & Compliance Officer	0.30

1.35 Details of Loans given, Investments made, guarantees given covered under Section 186(4) of The Companies Act, 2013

Since your Company is one of the RBI registered NBFC (Non-deposit taking Company), provision of Section 186 of the Companies Act, 2013 are not applicable to the Company.

1.36 Remuneration to Auditors

Particulars	31.03.2020	31.03.2019
Remuneration to Auditors for Audit purpose ₹	59,000	59,000

1.37 There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2020. This information as required to be disclosed under Micro, Small and

Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

1.38 Other Notes to Accounts

- i. In the opinion of the management, current assets, loans and advances and other receivables are approximately of the value stated, if realized in the ordinary course of business. The provisions of all known liability are ascertained.
- ii. Previous year figures have been restated to confirm the classification of the current year.
- iii. Balances of Sundry Debtors, Unsecured Loans, and Sundry Creditors are Loans & Advances are subject to reconciliation, since conformations have not been received from them. Necessary entries will be passed on receipt of the same if required.
- iv. The company has not provided for Gratuity and Leave Encashment to Employees on accrual basis, which is not in conformity with AS-15 issued by ICAI. However, in the opinion of management the amount involved is negligible and has no impact on Statement of Profit & Loss.

For S. Gattani & Co.

Chartered Accountants
Firm Registration No. 326788E

S. Gattani
Proprietor
M. No. 056536

Place: Kolkata
Date: July 08, 2020

For & on behalf of the Board of Directors

S/d-
Sushil Kumar Purohit
Director
DIN : 00073684

S/d-
Surendra Singh
Chief Financial Officer

S/d-
Gwal Das Vyas
Director
DIN : 01438374

S/d-
Shradha Purohit
Company Secretary

