

Notes forming part of balance sheet

Significant accounting policies

1. Statement of compliance

In accordance with the notification by the ministry of corporate affairs, the company has adopted Indian accounting standard (referred to as "IND AS") notified under the companies (Indian accounting standard) rule, 2015 with effect from April 1, 2016 Previous period have been restated to IND AS.

These financial statement have been prepared in accordance with IND AS notified under the companies (Indian accounting standard) rules, 2015 read with section 133 of the companies act, 2013.

2. Basic of preparation

These financial statement have been prepared on the historical cost basis, except for certain financial assets which are measured at fair values at the end of each reporting period.

3. Use of estimate and judgements

The preparation of these financial statement in conformity with the recognition and measurement principal of IND AS require the management of the company to make estimate and assumption that effect the reported balance of assets and liabilities, disclosures relating to contingent liabilities as the date of the financial statement and the reported amount of income and expenses for the periods presented.

Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimates are revised and future periods are affected.

Impairment of investment

The company reviews its carrying value of investment carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful life of property, plant and equipment

The company review the useful life of property, plant and equipment at the end of each reporting period. This measurement may result in change in depreciation expenses in future periods.

Provision and contingent liabilities

A provision is recognized when the company has a present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Contingent liability are not recognized in the financial statement. A contingent assets is neither recognized nor disclosed in the financial statement.

4. Revenue recognition

Dividend income is recorded when the right to receive payment is established. Interest income is recognized using the effective interest method.

5. Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their nature.

6. Income taxes

Income tax expenses comprises current tax expenses and the net change in the deferred tax assets and liabilities during the year. Current and deferred taxes are recognized in statement of profit and loss, except when the relate to its item that are recognized in other comprehensive income directly in equity.

Deferred income tax

Deferred income tax is recognized using balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

7. Financial asset at fair value (investment only) through other comprehensive income

Financial assets are measured at fair value through other comprehensive income. In case of advances given they are stated at cost. Voluntary assumption as provided under IND AS 101 has been taken in this case. If these financial asset are held within a business whose objective is achieved by both collecting contractual cash flow on specified dates that are solely payments of principal and interest on the principal and interest on the principal amount outstanding and selling financial assets.

8. Property, plant, equipment.

Property, plant, equipment are stated at cost, less accumulated depreciations (other than freehold land), if any depreciation is provided for property, plant, equipment so as to expenses the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

M/s SAI BABA INVESTMENT & COMMERCIAL ENTERPRISES LIMITED**NOTE 18: OTHER NOTES TO ACCOUNTS**

- 18.1 **Contingent Liabilities:** There is no contingent Liability.
- 18.2 **Plant Property & Equipment or Intangible Assets**
Company does not own any Plant Property & Equipment or Intangible Assets hence no disclosure is made in this context.
- 18.3 **Information about Inventories**
The nature of business is such that there were no Inventories.
- 18.4 The Only source of Income to the company is interest from loans given to various parties. Howsoever, the amount of loan and interest thereon cannot be verified in the absence of supporting evidences. The loan has been given by the management on the basis of verbal agreement.
- 18.5 **Foreign Currency Transactions**
The Company has not made any foreign currency transaction during the year.
- 18.6 **Dividend**
The company has not proposed any dividend for the year.
- 18.7 **Employee Benefit**

The employee benefits comprise salary only. Company has no defined benefit plans and no defined contribution plan & no provisions of Gratuity. The laws related to PF, ESI & Gratuity are not applicable to the company because numbers of employees are below 10.
- 18.8 During the quarter ended 31.03.2019 a sum of rupees 19,57,611 has been written back because the amounts were considered no longer payable by the management.
- 18.9 As required Under the Micro, Small and Medium Enterprise Development Act, 2006 there have generally been no reported cases of delays in payments to Micro, Small and Medium Enterprise or of interest payments due to delays in such payments. They are in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprise Development Act, 2006.
- 18.10 No provision for Doubtful Debts has been made as management considers all are good.
- 18.11 **Investments**

Under previous GAAP investments in flats and shares were shown as Non Current Investments & were carried at lower of cost or Fair value. The investment in flat continues to be shown at cost only.
- 18.12 Earnings per Share:

Particulars	Current Year	Previous Year
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Net Profit/(Loss) as per Statement of Profit & Loss (in Rs.)	54,95,602	(1,13,86,704)
Basic/Diluted weighted average number of equity shares outstanding during the year	112650000	112650000
Nominal value of Equity Share (Rs.)	1	1
Basic/Diluted Profit/(Loss) per Share (Rs.)	0.05	(0.14)

- 18.13 Related party transactions during the year in terms of the provisions of Ind AS - 24 "Related Party Disclosure" are as under:

(Amt. in Rs.)

Name of Related Party	Relation	Nature of Transaction	Current Year Transactions	Previous Year Transactions
MANOJKUMAR SOMANI	DIRECTOR	<u>Loan From Directors</u>	17,34,817/-	NIL
NIKHIL SHAH	DIRECTOR	<u>Loan From Directors</u>	1,88,892/-	NIL
MANOJKUMAR SOMANI	DIRECTOR	<u>Directors Remuneration</u>	3,60,000/-	3,60,000/-
KIRAN WALKE	DIRECTOR	<u>Directors Remuneration</u>	NIL	3,42,000/-
NIKHIL SHAH	DIRECTOR	<u>Directors Remuneration</u>	3,50,000	NIL
Total			2633709/-	7,02,000/-

- 18.14 **Auditor's Remuneration** As at 31.03.2019 As at 31.3.2018
For Audit Rs. 2,36,000/- Rs. 3,54,000/-

18.15 **Fair Value Measurements**

The carrying amounts and fair values of the financial instruments by class are as follows:

Particulars	Carrying amount/ Fair value	
	As at 31 st March, 2019	As at 31 st March, 2018
Financial assets		
<u>Carrying amounts/fair value:</u>		
a) <u>Measured at amortised cost</u>		
Non-current assets		
- Investments	68,79,827	68,79,827
- Loans	13,03,11,079	12,02,92,769
- Other non-current financial assets		
Current assets		
- Trade Receivable	2,27,050	2,27,050

- Cash and cash equivalents	2,71,179	1,51,885
- Other current financial assets	NIL	4,50,000
Total	13,76,89,135	12,80,01,531
Financial liabilities		
<u>Carrying amounts/fair value:</u>		
a) <u>Measured at amortised cost</u>		
Current liabilities		
- Trade Payables	1079222	12,48,741
- Other current financial liabilities	4353485	23,66,351
Total	5432707	36,15,092

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

18.16 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

18.17 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, security deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) 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 prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2019. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2019.

(i) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of interest bearing vehicle loans, loan and advance from related party and security deposits; however these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and

therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
<u>Carrying amounts/fair value:</u>		
b) <u>Measured at amortised cost</u>		
Non-current assets		
- Investments	68,79,827	68,79,827
- Loans	13,03,11,079	12,02,92,769
- Other non-current financial assets		
Current assets		
- Trade Receivable	2,27,050	2,27,050
- Cash and cash equivalents	2,71,179	1,51,885
- Other current financial assets	NIL	4,50,000
Total	13,76,89,135	12,80,01,531

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at 31st March, 2019			
Trade Payables	10,79,222	10,79,222	--
Other current financial liabilities	43,53,485	43,53,485	
Total	54,32,707	54,32,707	--

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at 31st March, 2018			
Trade Payables	12,48,741	12,48,741	--
Other current financial liabilities	23,66,351	23,27,471	
Total	36,15,092	35,76,212	--

18.18 Previous year figures have been regrouped / reclassified wherever it considered necessary.

Signature to Notes 1 to 19 of the financial Statements.

For and on behalf of the Board of Directors.

Jigar Bhadresh Gandhi
Whole Time Director
DIN: 07910717

Manojkumar Gunvantrai Somani
Director and CFO
DIN: 07721790

For S.Agarwal & Co.
Chartered Accountants
Firm Registration No. 000808N

(B.S.Chaudhari)
Partner

Membership No. 406200

Place: New Delhi

Date: 29-05-2019