

M/S Purshottam Investofin Limited
Significant Accounting Policies and Notes to Accounts

1. BACKGROUND

M/s Purshottam Investofin Limited (“The Company”) was incorporated in India on **04th day of November 1988** under the company’s act 1956. The company is registered with Reserve Bank of India (RBI) as a Non-Banking Financial Company vide certificate No.B-14-01044 dated 14th May 2003. The company is primarily engaged in the business of NBFC (Non-Accepting Public Deposits) activities.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention method, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ("GAAP") in India, and Accounting Standards Specified under Section 133 of the companies act 2013 (the ‘act’), read with rule 7 of the companies (Accounts) Rules ,2014 (as amended). The accounting policies have been consistently applied by the company.

Previous year figures have been regrouped/ rearranged, wherever necessary to make them comparable with figures of current year.

b. Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any change in the accounting estimates is recognized prospectively in the current and future periods.

c. Revenue Recognition

Revenue is recognized on accrual basis

d. Expenses Recognition

Expenses are recognized on accrual basis.

e. Fixed assets

Tangible Assets

Fixed assets (if any) are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets

Company is not having any intangible assets during the year 2017-18.

f. Depreciation

Depreciation is provided on a written down value on the basis useful life specified in Schedule II to the Companies Act, 2013. Depreciation is charged on a pro-rata basis for assets purchased/ sold during the year. Depreciation is charged from the date the asset is ready to use or put to use, whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

g. Investments

Non Current Investments held for maturity (Long term) are stated at cost considering permanent diminution, if any. The carrying amount for Investment held for trade is the lower of cost and fair market value.

h. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, and other costs incurred in acquiring the inventories. Further the inventories are valued on FIFO basis.

i. Income Tax Expense

Provision for Income tax expense is determined as the amount of tax payable in respect of taxable income for the year and in accordance with the Income-tax Act, 1961.

j. Deferred Tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax liability has been recognized during the current year.

k. Employee Benefits:

Company has not made any Provision for liability of future payment of gratuity in the current year and has not obtained actuarial valuation report.

Further, no provision has been made for leave encashment benefits, as the company does not have a policy of encashing leaves of employees.

l. Leases

Lease rentals in respect of operating lease arrangements are recognized as an expense in the profit & loss account on accrual basis.

m. Earnings per share

The earnings considered in ascertaining the Company's earnings per equity share comprises the net profit after tax. The number of shares used in computing basic & diluted EPS is the weighted average number of equity shares outstanding during the year.

n. Provisions & Contingencies

A provision is recognized when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

o. Foreign exchange transactions

There are no foreign exchange transactions during the year.

3. RELATED PARTY TRANSACTIONS

Related party disclosures as required under Accounting Standard (AS) – 18 “Related party Disclosures”, notified by the Government in the Companies (Accounting Standard) Rules 2006, are given in a separate annexure attached herewith:

Related parties with nature of relationship are given below:

Description of Relationship	Name of Related Party
Key Managerial Personnel	Pravin Santlal Jain (appointed on 24.06.2013) Swati Sharma (appointed on 15.10.2014) Sarita Aggarwal (appointed on 01.11.2014) Deependra Singh Negi (appointed on 30.05.2015)
Directors	Ravi Jaipuria (appointed on 23.04.2015) Suraj Chokhani (appointed on 23.04.2015) Sushil Kumar (appointed on 24.06.2013)
Group Company	Lubok Carbon LLP
Companies in which Director(s) of the Company is/are interested	Catalyst International Limited

Related parties with whom transaction have taken place during the current year and previous year

Description of Relationship	Name of Related Party
Group Company	Lubok Carbon LLP
Key Managerial Personnel	Sarita Aggarwal Deependra Singh Negi
Companies in which Director(s) of the Company is/are interested	Catalyst International Limited

Transaction with Related parties

	For the year ended 31st March 2018	For the year ended 31st March 2017
I. Transaction with the Group Company		
<u>Lubok Carbon LLP</u>		
- Loan & Advances repayment received	3887559/-	79,92,770/-
- Interest Income accrued	NIL	6,22,166/-
II. Transaction with Key Management Personnel		
<u>Sarita Aggarwal</u>		
- Salary	4,95,000/-	1,75,000/-
<u>Deependra Singh Negi</u>		
- Salary	3,66,000/-	1,04,000/-
<u>Swati Sharma</u>		
- Salary	4,74,000/-	NIL
III. Transaction with the Companies in which Director(s) of the company is/are interested		
<u>Catalyst International Limited</u>		
- Repayment of Advances	NIL	52,35,000/-
- Interest Expense	NIL	NIL