

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (contd.)

NOTE-18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

- A. Mathew Easow Research Securities Limited ("the Company"), is a Public Limited company engaged in investment and finance activities and is registered as a Non-Banking Financial (Non-Deposit Accepting) Company with the Reserve Bank of India vide Registration no.: 05.002088 dated 06.05.1998 and its equity shares are currently quoted on the Bombay Stock Exchange and Calcutta Stock Exchange Ltd.
- B. The financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.
- C. INCOME RECOGNITION is based on recognised accounting principles and as per Accounting Standard-9 issued by Institute of Chartered Accountants of India. Further, interest Income or any other charges on NPA are recognised only when they are actually realised.
- D. RESERVE FUND: 20% of profits are transferred to Reserve Fund created u/s 45IC of the Reserve Bank of India Act, 1934.
- E. FIXED ASSETS are stated at original cost of acquisition (including related incidental expenses) reduced by depreciation.
- F. DEPRECIATION has been provided under Straight Line Method based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.
- G. INVENTORIES: Inventories being shares and securities are valued in the following manner:
- a. Quoted shares and securities are valued at cost or market value whichever is lower.
 - b. Unquoted shares and securities are valued at cost.
- H. PROVISIONS:
- a. PROVISIONS IN ACCORDANCE WITH NON-BANKING FINANCIAL COMPANY –NON-SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016:
 1. The Company has made 100% provision on Doubtful Assets to the extent to which the advance is not covered by the realisable value of the security to which the company has a valid recourse.
 2. The Company has made a general provision of 10% of total outstanding Sub-standard assets.
 3. The Company has made Contingent Provisions on Standard Assets @ 0.25% on Standard Assets.
 - b. PROVISION FOR TAXES: Provision for the current tax is based on tax liability computed in accordance with relevant tax rates and tax laws. Provision on deferred tax is made for all timing differences arising between taxable incomes and accounting income at rates that have been enacted or substantively enacted as of the Balance Sheet date. The tax expense for the year, comprising of the current tax and deferred tax is included in determining the net profit/loss for the year.
- I. As the Company has no activities other than those of a Non-Banking Financial Company, the segment reporting under Accounting Standard 17 – "Segment Reporting" is not applicable. The Company does not have any reportable geographical segment.
- J. Payments to Statutory Auditors:
- | Particulars | Current year (₹) | Previous year (₹) |
|---------------|------------------|-------------------|
| Audit Fee | 60,000.00 | 60,000.00 |
| Tax Audit Fee | 15,000.00 | 15,000.00 |
| TOTAL | 75,000.00 | 75,000.00 |
- K. There is no liability towards Gratuity, leave pay, PF, ESI and/or any other type of retirement benefits. Hence, the requirements prescribed under Accounting Standard-15 have not been complied.

- L. Separate disclosures for the amount due to Small Scale Industrial undertakings under the head Current Liabilities/ Creditors could not be made as the Company does not possess the requisite information.
- M. The Micro, Small and Medium Enterprises Development Act, 2006 mandates disclosure related to payment and accrual of interest on delayed payments to suppliers classified as Micro, Small and Medium Enterprises under the Act. The Company has not received intimation from any of its suppliers regarding the status of their registration under the said Act and hence separate disclosures could not be made.
- N. Information given in accordance with the requirements of Accounting Standard-18 on Related Party Disclosures issued by Institute of Chartered Accountants of India:

List of Related Parties

- i. ENTERPRISES WHERE CONTROL EXISTS
- a) Gaylord Commercial Co. Ltd
 - b) Mathew Easow Fiscal Services Limited
 - c) Vista Vyapaar Private Limited
- ii. KEY MANAGEMENT PERSONNEL
- Sarika Kedia Company Secretary

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

Transaction with Related Parties

i. Salary	- Sarika Kedia Outstanding as on reporting date	Rs. 3,30,016/- NIL	Prev Yr Prev Yr	Rs. 3,21,200/- NIL
O. Details of Earnings per share :-				
		Current year (₹)		Previous year (₹)
Net Profit as per Profit and Loss Account		13,02,134		45,51,591
Weighted average number of shares for computing Basic and Diluted earnings per share		6650000		6650000
Earnings per share (Weighted average) (As per Accounting Standard 20 – Earnings Per Share) Basic and Diluted		0.20		0.68
P. Contingent liabilities: Liability for calls on Partly Paid Shares		Rs.92,200/-		Prev Yr: Rs.92,200/-

Q. Previous year's figures have been regrouped/rearranged where necessary to conform to this years' classification.

As per our Report of even date.

For **Bhandari B.C. & Co.**
Chartered Accountants
Firm Registration No.311082E
B. C. Bhandari, FCA
Partner
Membership No. 50196
Kolkata, 28th May, 2019

Sarika Kedia
Company Secretary

For and on behalf of the Board

Ram Kumar Dalmia Director (DIN-00080549)	Beda Nand Choudhary Director (DIN-00080175)
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