
Notes to Financial Statements as at and for the year ended March 31, 2019**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS****1. SIGNIFICANT ACCOUNTING POLICIES :****1.1. Accounting Convention :**

The Company prepares its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) under historical cost convention on accrual basis and also in accordance with requirements of the Companies Act, 2013 and the Rules made there under and guidelines issued by the Securities and Exchange Board of India. It follows the directions prescribed by Reserve Bank of India for Non-Banking Financial Companies and as per the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI).

1.2. Fixed Assets :

Fixed Assets are stated at historical cost less accumulated depreciation and impairments, if any. Direct costs are capitalized until fixed assets are ready for use.

1.3. Depreciation :

The company has applied the estimated useful lives as specified in Schedule II of The Companies Act, 2013. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives as provided in Schedule II. Further, the assets costing below Rs. 5000 is treated as revenue expenditure.

Depreciation on Fixed Assets is provided on the Straight line Method over the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/ sold during a period is proportionately charged.

1.4. Non Current investment :

Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognize the decline.

1.5. Revenue Recognition :

- i. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable , except that no income is recognized in case of Non Performing Assets(NPA's), as per the prudential norms for income recognition issued by the Reserve Bank of India for NBFCs. Interest income on such assets is recognized on receipt basis.
- ii. Dividend income is recognized when right to receive dividend is established.
- iii. All other income are accounted for on accrual basis.

1.6. Inventories :

Inventories of quoted shares are valued at lower of cost or net realisable value. Inventories of unquoted share have been valued at cost.

1.7. Provisions & Contingent Liabilities :

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)

settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.8. Income Taxes :

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and there after a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of the irrespective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

1.9. Earnings per Share :

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)

	(Amount in Rs.)	
	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
Note 2 - Share Capital		
Authorised Capital		
20,50,00,000 (Previous Year 20,50,00,000) Equity Shares of Rs. 1/- each	205,000,000	205,000,000
	<u>205,000,000</u>	<u>205,000,000</u>
Issued, Subscribed & Paid up		
12,96,80,000 (Previous Year 12,96,80,000) Equity Shares of Rs. 1/- each	129,680,000	129,680,000
Total	<u>129,680,000</u>	<u>129,680,000</u>

(a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
Shares outstanding at beginning of the year	129,680,000	129,680,000
Add : Additions during the year	—	—
	129,680,000	129,680,000
Less : Number of shares bought back during the year	—	—
	<u>129,680,000</u>	<u>129,680,000</u>

(b) Details of Shareholders holding more than 5% of the shares in the Company

<u>Name of the Shareholder</u>	<u>As at 31st March, 2019</u>		<u>As at 31st March, 2018</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Hungarford Consultant Pvt. Ltd.	12,369,896	9.54%	12,369,896	9.54%
Bahubali Properties Limited	8,970,947	6.92%	8,970,947	6.92%
ACME Resources Ltd.	7,650,000	5.90%	7,650,000	5.90%

(c) Terms of Issue

The company has only one class of equity shares having a face value of Rs. 1/- per share to one vote per share. The company declares and pays dividend in Indian rupees. In the event of liquidation of the company, each Shareholder is entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held by them.

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)

	As at 31st March, 2019	(Amount in Rs.) As at 31st March, 2018
Note 3 - Reserves and Surplus		
a. General Reserves		
Opening Balance	5,518,793	5,518,793
Add : Transferred from Surplus	—	—
Closing Balance	5,518,793	5,518,793
b. Share Premium	120,897,000	120,897,000
c. Capital Reserve	5,815,000	5,815,000
d. Surplus in Statement of Profit and Loss		
Opening Balance	(241,998,009)	(240,157,234)
Add/(Less) : Net Profit/(Net Loss) for the year	(3,011,773)	(1,840,775)
Closing Balance	(245,009,782)	(241,998,009)
Total (a+b+c+d)	(112,778,989)	(109,767,216)

Note 4 - Long Term Borrowings**Term Loans****Secured**

Rural Electrification Corporation Ltd.	27,059,000	27,059,000
Total	27,059,000	27,059,000

Note 4.1

Long Term Borrowing from Rural Electrification Corporation Ltd. which is Secured against movable and immovable properties except book debts in respect of Wind Power Projects and guaranteed by a director. (Refer Note 27)

Note 5 - Other Current Liabilities

Advance Received	3,700,000	—
Other payables	1,349,974	1,713,417
Total	5,049,974	1,713,417

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)**Note - 6****Fixed Assets**

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	Balance as at 01.04.2018	Additions	Disposals	Balance as at 31.03.2019	Upto 01.04.2018	For the Year	Disposals as at 31.03.2019	Upto 31.03.2019	Balance as at 31.03.2019	Balance as at 31.03.2018
Tangible Assets :										
Land	1,368,000	—	—	1,368,000	—	—	—	—	1,368,000	1,368,000
Total	1,368,000	—	—	1,368,000	—	—	—	—	1,368,000	1,368,000
Previous year's Total	1,368,000	—	—	1,368,000	—	—	—	—	1,368,000	1,368,000

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)

	(Amount in Rs.)	
	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
Note 7 - Non Current Investments		
Quoted (At Cost)		
Investment in Equity Shares	11,391,149	11,391,149
Total	<u>11,391,149</u>	<u>11,391,149</u>

SCRIP WISE DETAILS OF INVESTMENTS

(Amount in Rs.)

Particulars	Face Value per share	As at 31st March, 2019		As at 31st March, 2018	
		No. of Units	Value	No. of Units	Value
21st Century India Ltd	10	46,805	468,050	46,805	468,050
CMS Finvest Ltd	10	2,050,000	5,330,000	2,050,000	5,330,000
Herald Commerce Ltd	10	12,740	44,590	12,740	44,590
JOG Engineering Ltd	10	18,930	51,868	18,930	51,868
Luminaire Technologies Ltd	1	179,888	35,978	179,888	35,978
Manglam India Ltd	10	1,000	33,000	1,000	33,000
Network Media & Investment Ltd PREF	5	40	5,930	40	5,930
NRC Ltd	10	3,686	41,836	3,686	41,836
Ocean Infrastructures Ltd	10	200	890	200	890
Prime Capital Market Ltd	10	138,075	720,752	138,075	720,752
Prime Petro Products Ltd	10	1,700	15,300	1,700	15,300
Radford Global Ltd	2	63,500	353,060	63,500	353,060
Ramkrishna Fincap Ltd	10	79,100	794,164	79,100	794,164
Scan Infrastructures Ltd	10	102,450	2,577,642	102,450	2,577,642
Shree Shaleen Textile Ltd.	2	151,500	918,090	151,500	918,090
		<u>2,849,614</u>	<u>11,391,149</u>	<u>2,849,614</u>	<u>11,391,149</u>
Aggregate Market Value of Investments			11,457,016		11,457,016

Shares of Rs. 1,13,85,219/- are under lien against the loan with REC Ltd. (Refer Note 26)

	(Amount in Rs.)	
	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
Note 8 - Long Term Loans and Advances		
(Unsecured and Considered Good)		
Security Deposit	79,500	79,500
Total	<u>79,500</u>	<u>79,500</u>

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)

	(Amount in Rs.)			
	No. of Debentures	As at 31st March, 2019	No. of Debentures	As at 31st March, 2018
Note 9 - Inventories				
a. Debentures	13,022	486,610	13,022	486,610
Total	13,022	486,610	13,022	486,610

	(Amount in Rs.)	
	As at 31st March, 2019	As at 31st March, 2018
Note 10 - Cash & Cash Equivalents		
Cash and Cash Equivalents		
a. Balances with banks	120,765	154,346
b. Cash on hand	4,903	82,437
Total	125,668	236,783

Note 11 - Other Current Assets

Advance to staff	262,417	124,867
Advance Received	21,192,810	20,894,461
Rural Electrification Corporation Ltd.	14,103,831	14,103,831
Total	35,559,058	35,123,159

Note 12 - Revenue from Operations

Sale of Equity Shares	—	4,123,300
Profit on Sale of Investment	—	1,714,238
Dividend	—	483
Total	—	5,838,021

Note 13 - Other Income

Excess Provision Written Back	389,151	—
Total	389,151	—

Note 14 - Purchases

Purchase of Equity Shares	—	4,123,300
Total	—	4,123,300

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)

	(Amount in Rs.)	
	As at 31st March, 2019	As at 31st March, 2018
Note 15 - Changes in Inventories		
Opening Stock	486,610	486,610
Closing Stock	486,610	486,610
Total	<u>—</u>	<u>—</u>
Note 16 - Employee Benefits Expense		
Salaries & Bonus	2,316,163	2,463,375
Contribution to Provident Fund	105,747	128,815
Gratuity	2,777	10,522
Total	<u>2,424,687</u>	<u>2,602,712</u>
Note 17 - Other Expenses		
Advertisement	37,254	45,500
Bank Charges	19,290	5,305
Computer Maintainance	4,307	4,307
Custodian Charges	120,515	71,678
Filing Fee	5,800	30,880
Legal & Professional charges	20,950	28,160
Listing Fee	637,200	517,500
Meeting Expenses	—	16,100
Miscellaneous Expenses	23,600	24
Motor Car Expenses	—	135,645
Printing & Stationery	17,900	16,100
Payment to Auditors (refer note below)	44,250	47,125
Fine and Penalty	2,233	—
Rates & Taxes	4,600	5,650
Registrar & Depository Fees	38,338	28,810
Total	<u>976,237</u>	<u>952,784</u>
Payment to Auditors		
- Statutory Audit Fees	29,500	29,500
- Certification Fees	14,750	17,625
Total	<u>44,250</u>	<u>47,125</u>

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)

	(Amount in Rs.)	
	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
Note 18 - Earning per Share (EPS)		
i) Net Profit after tax	(3,011,773)	(1,840,775)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	129,680,000	129,680,000
iii) Basic and Diluted Earning per share (Rs.)	(0.02)	(0.01)
iv) Face Value per equity share (Rs.)	1.00	1.00

19. Earning in foreign exchange and expenditure in foreign Currency - NIL (P.Y. - NIL)

20. There are no dues to Micro and small enterprises as defined in "The Micro, small and Medium Enterprises Development Act, 2006", as determined to the extent such parties have been identified on the basis of information available with the company.

21. Since the company has operated only in one segment, i.e. fund based activities, provision relating to segment wise Report as per AS-17 are not applicable.

22. Deferred Tax

In view of no virtual certainty of future profits to set off losses, no provision for deferred tax asset has been made as required.

23. Information pursuant to paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors, 2015 are given in Annexure - I.

24. Retirement Benefits :

Provision for retirement benefits has not been made, as gratuity is accounted in accounts as and when it become due.

25. Income Tax has raised a demand of Rs. 1,84,293/- for several Assessment Years, for which no provision has been made in the books of account.

26. Long Term Borrowings includes Loan from Rural Electrification Corporation Ltd. ("REC") which is secured against movable and immovable properties except book debts in respect of Wind Power Projects and guaranteed by a director. REC has filed a recovery suit against the Company for recovery of dues which is pending before Recovery Officer, DRT, Delhi against which Rs. 100 Lacs deposited on the directives from Delhi High Court. Land valued at Rs. 13,68,000 and the windmill thereon, having depreciated value of nil, have been auctioned under order of Recovery Officer, DRT but the same has been challenged by company before Appellate Authority. Pending order of Appellate Authority no adjustments in accounts have been made. Further, certain Listed shares of the Company which were lien against the loan of REC Ltd have got transferred by virtue of order of Recovery officer, DRT, but the present status of such shares are not known for which adjustment has not been made.

27. Related Party Disclosure

i) Name of the Related Parties :

- (a) Mr. Santosh Kumar Jain - Managing Director
- (b) Mr. Taposh Kumar Mullick - Director (upto 23.04.2019)
- (c) Mr. Ramen Chatterjee - Director

Notes to Financial Statements as at and for the year ended March 31, 2019 (Contd.)

- (d) Mrs. Krishna Banerjee - Director
 (e) Mr. Gautam Saha - CFO
 (f) Mr. Rajendra Kumar Parewa - Director (Since 23.04.2019)
 (g) Chandni Jain - Company Secretary (since 25.05.2019)

ii) Enterprises over which above person has signification influence :

ATN International Ltd.
 CMS Finvest Limited
 Arissan Power Ltd.
 Herald Commerce Limited

iii) Transactions with Related Parties :

Sl. No.	Party Name	Nature of Transaction	2018-19	2017-18
1	Gautam Saha	Remuneration	412,313	428,312
2	Trupti Upadhyay	Remuneration	275,055	182,886
3	ATN International Limited	Purchase of Shares	—	4,123,000
		Amount Paid	813,139	—
		Amount Received	513,139	—
4	CMS Finvest Limited	Amount Received	50,000	—
5	Hanurang Projects Limited	Sale of Shares	—	1,375,000
6	Accolyte Tie up Private Limited	Sale of Shares	—	200,000
7	Arissan Power Ltd	Amount Received	50,000	—
8	Herald Commerce Limited	Amount Received	2,000,000	—

28. Figures in brackets represent previous year figures.

29. Previous Year figures have been regrouped, rearranged wherever necessary to confirm current year's presentation.

As per our Report of even date

For DEOKI BIJAY & CO.

Chartered Accountants
FRN 313105E

CA. ASHA GUPTA

Partner

Membership No. 305024

Place : Kolkata

Dated : 29th May, 2019

For and on behalf of the Board

Santosh Kumar Jain

Managing Director
DIN No. 00174235

Ramen Chatterjee

Director

DIN No. 00402873

Chandni Jain
Company Secretary

Gautam Saha
Chief Financial Officer

Annexure - II

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
(as required in terms of Paragraph 13 on Non-Banking Financial (Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in Lakhs)

Particulars		
LIABILITIES SIDE :	Amount Outstanding	Amount Overdue
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	NIL	NIL
Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	270.59	NIL
(d) Inter-corporate Loans and Borrowings	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (specify nature)	NIL	NIL
<i>*Please see Note 1 below</i>		
ASSETS SIDE :		
		Amount Outstanding
2. Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
(a) Secured		NIL
(b) Unsecured		NIL
3. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease		NIL
(b) Operating Lease		NIL
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Other loans counting towards AFC activities :		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL

Particulars	Amount Outstanding
4. Break-up of Investments :	
Current Investments :	
1. Quoted :	
(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
2. Un-Quoted :	
(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
Long Term Investments :	
1. Quoted :	
(i) Shares (a) Equity	113.91
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
2. Un-Quoted :	
(i) Shares (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL

5. Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	NIL	NIL
Total	NIL	NIL	NIL

6. Investor group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted) :

Please see Note 3 below

Category	Market Value/Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	NIL	NIL
Total	NIL	NIL

** As per Accounting Standard of ICAI (Please see Note 3).

7. Other Information :

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(i) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

Notes :

- As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.