N. K. DAGA & ASSOCIATES
Chartered Accountants

10/1 Ahiritola street.
Kolkata – 700005.
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E-mail : daganilesh@yahoo.co.in

INDEPENDENT AUDITORS' REPORT

To the Members of **ORCHID SECURITIES LIMITED**

Report on the Standalone Financial Statements

Opinion

We have audited accompanying Standalone financial statements of **ORCHID SECURITIES LIMITED** ("the Company"). which comprise of the Balance Sheet as at March 31, 2020, the statement of Profit and Loss and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by The Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, **Loss** and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independent requirement that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design. implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

N. K. DAGA & ASSOCIATES
KOLKATA
Chartered Accountants

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism through- out the audit. We also:

a) Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

N.K. DAGA & ASSOCIATES
KOLKATA
Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure (**'Annexure A'**) a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, from being appointed as a Director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"

   g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), 2014, in our opinion and to the best of our information and according to the explanations given to us;

      i. the Company does not have any pending litigations which would impact its financial position.
      ii. In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **N K DAGA & ASSOCIATES**
Chartered Accountants
Firm Registration No.324493E

Nilesh Kr Daga

(NILESH KUMAR DAGA)
Proprietor
Membership No.059304
UDIN:20059304AAAAAQ8766

N. K. DAGA & ASSOCIATES KOLKATA Chartered Accountants

Place : Kolkata
Date : 30/07/2020

"ANNEXURE A" TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **ORCHID SECURITIES LIMITED** on the financial statements for the year ended 31/03/2020]

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) These Fixed assets have been physically verified by the Management at reasonable intervals and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) The Company does not hold any Immovable property during the year.

ii. According to the information and explanations given to us , The Stock for trade has been physically verified by the Management during the year and no material discrepancies were noticed on physical verification.

iii. As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the sub-clauses (a) to (c) of clause (iii) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Section 73 to 76 of the Act and the rules framed there under.

vi. As explained to us and to the best of our knowledge and belief, the maintenance of Cost records under Section 148(1) of the Companies Act, 2013 are not applicable to the Company.

vii. (a) According to the information given to us and on the basis of our examination of the books of the Company, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, GST, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities as applicable to it.

Furthermore, on the basis of the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, GST, duty of customs, and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) On the basis of the information and explanations given to us, there are no material dues with respect to sales tax or wealth tax or service tax or goods and service tax or duty of customs or duty of excise or value added tax or cess pending with any authorities of the government. However, according to the information and explanations given to us , the following dues of income tax has not been deposited by the Company on account of dispute :

Name of Statute	Nature of dues	Amount (Rs.)	Period for which amount relates	Forum where the dispute is pending
Income Tax Act	Income Tax	1039250/-	AY: 2011-12	Commissioner (Appeals)

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). However term loan was prima facie applied during the year for the purpose for which the term loan was obtained.

N. K. DAGA & ASSOCIATES
KOLKATA
Chartered Accountants

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted audited practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is *not a nidhi Company*. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us, the Company is a NBFC and is registered under section 45-IA of the Reserve Bank of India Act, 1934 and its RBI Registration No. is B.05.00111.

For **N K DAGA & ASSOCIATES**
Chartered Accountants
Firm Registration No.324493E

Nilesh Km Daga

(NILESH KUMAR DAGA)
Proprietor
Membership No.059304
UDIN:20059304AAAAAQ8766

N. K. DAGA & ASSOCIATES KOLKATA Chartered Accountants

Place : Kolkata
Date : 30/07/2020

N. K. DAGA & ASSOCIATES
Chartered Accountants

10/1 Ahiritola street.
Kolkata – 700005.
Mobile – 09830329820
E-mail : daganilesh@yahoo.co.in

Independent Auditors' Report

To the Members of **ORCHID SECURITIES LIMITED**

"Annexure B " to the Independent Auditors' Report of even date on the financial statements of ORCHID SECURITIES LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ORCHID SECURITIES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

N. K. DAGA & ASSOCIATES
KOLKATA
Chartered Accountants

To the Members of **ORCHID SECURITIES LIMITED**

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company ; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or deposition of the Company's assets that could have a material effect on the financial statement

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N K DAGA & ASSOCIATES**
Chartered Accountants
Firm Registration No.324493E

Nilesh Kr Daga.

N. K. DAGA & ASSOCIATES KOLKATA Chartered Accountants

(NILESH KUMAR DAGA)
Proprietor
Membership No.059304
UDIN:20059304AAAAAQ8766

Place : Kolkata
Date : 30/07/2020

ORCHID SECURITIES LIMITED
Balance Sheet as at 31st March, 2020

(₹ in lakhs)

	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Assets				
(1)	**Financial Assets**				
(a)	Cash and Cash Equivalents	2	15.96	9.90	17.33
(b)	Receivables				
	(I) Trade Receivables	3	2.90	-	-
(c)	Loans	4	48.40	30.86	35.55
(d)	Other Financial Assets	5	116.04	162.97	156.49
(2)	**Non-Financial Assets**				
(a)	Current Tax Assets (Net)	6	0.87	1.55	2.05
(b)	Property, Plant and Equipment	7	1.82	2.54	3.26
(c)	Other Non-Financial Assets	8	31.90	17.11	13.81
	Total Assets		**217.89**	**224.93**	**228.49**
	Liabilities and Equity				
(1)	**Financial Liabilities**				
(a)	Payables	9			
	(I) Trade Payables				
	(i) total outstanding dues of micro enterprises		-	-	-
	(ii) total outstanding dues of creditors other		-	3.25	-
(b)	Borrowings (Other than Debt Securities)	10	6.00	-	0.25
(c)	Other Financial Liabilities	11	5.03	2.30	2.21
(2)	**Non-Financial Liabilities**				
(a)	Other Non-Financial Liabilities	12	0.25	0.02	0.02
(3)	**Equity**				
(a)	Equity Share Capital	13	300.01	300.01	300.01
(b)	Other Equity	14	(93.40)	(80.65)	(74.00)
	Total Liabilities and Equity		**217.89**	**224.93**	**228.49**

Significant Accounting Policies and Notes to Financial Statements 1-36
The Notes referred above are an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For **N. K. Daga & Associates**
Chartered Accountants
Firm Registration No. 324493E

Nilesh Kr Daga

FCA Nilesh Kumar Daga
Proprietor
Membership No. 059304

N. K. DAGA & ASSOCIATES ★ KOLKATA ★ Chartered Accountants

Place: Vadodara
Date: 30.07.2020

For and on behalf of the Board of Directors

Sojan V Avirachan
Managing Director
DIN - 07593791

Yatin Sanjay Gupte
Director
DIN - 07261150

Mohsin Khan Pathan
Chief Financial Officer

Grishma A Shewale
Company Secretary

ORCHID SECURITIES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
	Revenue from Operations			
(i)	Interest Income	15	3.46	4.65
(ii)	Dividend Income		1.63	1.41
(iii)	Net Gain on Fair Value Changes	16	8.70	8.18
(I)	**Total Revenue from Operations**		**13.79**	**14.24**
(II)	Other Income	17	0.01	0.10
(III)	**Total Income (I+II)**		**13.80**	**14.34**
	Expenses			
(i)	Finance Costs		-	-
(ii)	Impairment on Financial Instruments (Net)	18	0.17	(0.02)
(iii)	Employee Benefits Expenses	19	11.25	10.49
(iv)	Depreciation, Amortisation and Impairment	20	2.33	2.33
(v)	Other Expenses	21	12.02	8.18
(IV)	**Total Expenses**		**25.77**	**20.98**
(V)	**Profit Before Exceptional Items & Tax (III-IV)**		**(11.97)**	**(6.64)**
(VI)	Exceptional Items		-	-
(VII)	**Profit Before Tax (V-VI)**		**(11.97)**	**(6.64)**
(VIII)	Tax Expense:			
	(a) Current Tax		0.78	-
	(b) Deferred Tax		-	-
(IX)	**Profit After Tax (VII-VIII)**		**(12.75)**	**(6.64)**
(X)	Other Comprehensive Income		-	-
(XI)	**Total Comprehensive Income for the year (IX+X)**		**(12.75)**	**(6.64)**
(XII)	**Earnings per Equity Share (Par Value ` 10/- per Equity Share)**			
	Basic and Diluted (in `)	22	(0.42)	(0.22)

Significant Accounting Policies and Notes to Financial Statements 1-36

The Notes referred above are an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For **N. K. Daga & Associates**
Chartered Accountants
Firm Registration No. 324493E

N. K. DAGA & ASSOCIATES KOLKATA Chartered Accountants

FCA Nilesh Kumar Daga
Proprietor
Membership No. 059304

Place: Vadodara
Date: 30.07.2020

For and on behalf of the Board of Directors

Sojan V Avirachan
Managing Director
DIN - 07593791

Yatin Sanjay Gupte
Director
DIN - 07261150

Mohsin Khan Pathan
Chief Financial Officer

Grishma A Shewale
Company Secretary

ORCHID SECURITIES LIMITED
Statement of Cash Flows for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	**(11.97)**	**(6.64)**
	Adjustments for:		
	Depreciation, Amortisation and Impairment	2.33	2.33
	Impairment on Financial Instruments	0.17	(0.02)
	Net unrealised fair value (gain)/loss	18.16	0.68
	Operating Profit before Working Capital Changes	**8.69**	**(3.65)**
	Adjustment for:		
	(Increase)/Decrease in Trade Receivables and Other Assets	(3.87)	(4.41)
	(Increase)/Decrease in Other Financial Assets	28.78	(7.16)
	(Increase)/Decrease in Loans	(32.72)	4.69
	Increase/(Decrease) in Payables and Other Liabilities	(0.30)	3.36
	Cash Generated / (used) in operations	**0.58**	**(7.17)**
	Direct Taxes paid	(0.52)	(0.01)
	Net Cash (Used in) / Generated from Operating Activities	**0.06**	**(7.18)**
B.	**Cash Flow from Financing Activities**		
	Increase/(Decrease) in Borrowings (Other than Debt Securities)	6.00	(0.25)
	Net Cash (Used in) / Generated from Financing Activities	**6.00**	**(0.25)**
	Net Increase/(Decrease) in Cash and Cash equivalents (A+B)	**6.06**	**(7.43)**
	Cash and Cash Equivalents at the beginning of the year	**9.90**	**17.33**
	Cash and Cash Equivalents at the end of the year	**15.96**	**9.90**

Components of Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalents at the end of the period		
Cash on Hand	7.88	6.40
Balances with Banks - in Current Accounts	3.08	3.50
Cheques on Hand	5.00	-
	15.96	**9.90**

Note: The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.

This is the Statement of Cash Flows referred to in our report of even date.

For **N. K. Daga & Associates**
Chartered Accountants
Firm Registration No. 324493E

N. K. DAGA & ASSOCIATES KOLKATA Chartered Accountants

FCA Nilesh Kumar Daga
Proprietor
Membership No. 059304

For and on behalf of the Board of Directors

Sojan V Avirachan
Managing Director
DIN - 07593791

Yatin Sanjay Gupte
Director
DIN - 07261150

Mohsin Khan Pathan
Chief Financial Officer

Grishma A Shewale
Company Secretary

Place: Vadodara
Date: 30.07.2020

ORCHID SECURITIES LIMITED
Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

(₹ in lakhs)

Particulars	Amount
As at 1st April, 2018	**300.01**
Changes in equity share capital during the year	-
As at 31st March, 2019	**300.01**
Changes in equity share capital during the year	-
As at 31st March, 2020	**300.01**

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus		Total
	Special Reserve (pursuant to Section 45IC of The Reserve Bank of India Act, 1934)	Retained Earnings	
Balance as at the 1st April, 2018 (restated)	**5.15**	**(79.15)**	**(74.00)**
Profit/(Loss) for the year	-	(6.64)	(6.64)
Transfer from retained earnings	-	-	-
Income tax of earlier year	-	(0.01)	(0.01)
Balance as at 31st March, 2019	**5.15**	**(85.80)**	**(80.65)**
Profit/(Loss) for the year	-	(12.75)	(12.75)
Transfer from retained earnings	-	-	-
Balance as at 31st March, 2020	**5.15**	**(98.55)**	**(93.40)**

This is the Statement of Changes in Equity referred to in our report of even date.

For N. K. Daga & Associates
Chartered Accountants
Firm Registration No. 324493E

FCA Nilesh Kumar Daga
Proprietor
Membership No. 059304

For and on behalf of the Board of Directors

Sojan V Avirachan
Managing Director
DIN - 07593791

Yatin S Gupte
Director
DIN - 07261150

Mohsin Khan Pathan
Chief Financial Officer

Grishma A Shewale
Company Secretary

Place: Vadodara
Date: 30.07.2020

ORCHID SECURITIES LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

2. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on Hand	7.88	6.40	3.65
Balances with Banks - in Current Accounts	3.08	3.50	13.68
Cheques on Hand	5.00	-	-
Total	**15.96**	**9.90**	**17.33**

3. Receivables

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(Unsecured Considered Good)			
Trade Receivables	2.90	-	-
Total	**2.90**	-	-

4. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(A)			
Loans repayable on demand (At Amortised Cost)	74.19	56.48	61.19
Total (A) (Gross)	**74.19**	**56.48**	**61.19**
Less: Impairment loss allowance	25.79	25.62	25.64
Total (A) (Net)	**48.40**	**30.86**	**35.55**
(B)			
(i) Secured	-	-	-
(ii) Unsecured	74.19	56.48	61.19
Total (B) (Gross)	**74.19**	**56.48**	**61.19**
Less: Impairment loss allowance	25.79	25.62	25.64
Total (B) (Net)	**48.40**	**30.86**	**35.55**
(C) (I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	74.19	56.48	61.19
Total (C) (I) (Gross)	74.19	56.48	61.19
Less: Impairment loss allowance	25.79	25.62	25.64
Total (C) (I) (Net)	**48.40**	**30.86**	**35.55**
(C) (II) Loans outside India	-	-	-
Total (C) (I) and (C) (II)	**48.40**	**30.86**	**35.55**

Note: None of the loans are measured at fair value at each reporting date. Accordingly the above disclosure has been given for loans carried at Amortised Cost in lines with format as prescribed in Division III of Schedule III to the Companies Act, 2013.

5. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Equity instruments held as stock in trade (measured at Fair Value through Profit or Loss)	116.01	162.94	156.46
Security Deposits (measured at Amortised Cost)	0.03	0.03	0.03
Total	**116.04**	**162.97**	**156.49**

6. Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance Tax (Net of Provision For Tax - ₹ 0.78 lakhs, 31st March 2019: ₹ 0.52 lakhs, 1st April 2018: ₹ 0.52 lakhs)	0.87	1.55	2.05
Total	**0.87**	**1.55**	**2.05**

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7. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross Carrying Amount				Depreciation and Impairment				Net Carrying Amount
	As at 1st April, 2019	Additions during the year	Disposals and other adjustments	As at 31st March, 2020	As at 1st April, 2019	For the year	Disposals and other adjustments	As at 31st March, 2020	As at 31st March, 2020
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(d-h)
Assets for Own use									
Vehicles	6.10	-	-	6.10	3.62	0.72	-	4.34	1.76
V. Machine	0.10	-	-	0.10	0.09	-	-	0.09	0.01
Air Conditioner	0.56	-	-	0.56	0.53	-	-	0.53	0.03
Computer	0.45	-	-	0.45	0.43	-	-	0.43	0.02
Total	**7.21**	**-**	**-**	**7.21**	**4.67**	**0.72**	-	**5.39**	**1.82**

(₹ in lakhs)

Particulars	Gross Carrying Amount				Depreciation and Impairment				Net Carrying Amount
	As at 1st April, 2018	Additions during the year	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	For the year	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(d-h)
Assets for Own use									
Vehicles	6.10	-	-	6.10	2.90	0.72	-	3.62	2.48
V. Machine	0.10	-	-	0.10	0.09	-	-	0.09	0.01
Air Conditioner	0.56	-	-	0.56	0.53	-	-	0.53	0.03
Computer	0.45	-	-	0.45	0.43	-	-	0.43	0.02
Total	**7.21**	**-**	-	**7.21**	**3.95**	**0.72**	-	**4.67**	**2.54**

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8. Other Non-Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance to Parties	23.00	8.00	8.00
Advance to Staff	7.00	5.90	0.82
Prepaid Expenses	0.30	-	0.17
Preliminary Expenses	1.60	3.21	4.82
Total	**31.90**	**17.11**	**13.81**

9. Payables

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Trade Payables			
total outstanding dues of micro enterprises and small enterprises (refer Note No. 9.1)	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	-	3.25	-
Total	**-**	**3.25**	**-**

9.1 Dues of Micro Enterprises and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
d) The amount of interest accrued and remaining unpaid	-	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Total	**-**	**-**	**-**

Dues as above, to the Micro Enterprises and Small Enterprises have been determined by the Management. This has been relied upon by the auditors.

10. Borrowings (Other than Debt Securities)

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(At Amortised Cost)			
Secured*			
Car Loan	-	-	0.25
Unsecured			
Loans from related parties	6.00	-	-
Total (A)	**6.00**	**-**	**0.25**
Borrowings in India	6.00	-	0.25
Borrowings outside India	-	-	-
Total (B)	**6.00**	**-**	**0.25**

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*Secured against hypothecation of car

Note: None of the borrowings are measured at fair value at each reporting date. Accordingly the above disclosure has been given for borrowings carried at Amortised Cost in lines with format as prescribed in Division III of Schedule III to the Companies Act, 2013.

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11. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Outstanding Liabilities for Expenses	5.03	2.30	2.21
Total	**5.03**	**2.30**	**2.21**

12. Other Non-Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Statutory Liabilities	0.25	0.02	0.02
Total	**0.25**	**0.02**	**0.02**

13. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Authorised Share Capital 32,50,000 (31st March, 2019: 32,50,000, 1st April, 2018: 32,50,000) Equity Shares of ` 10/- each	325.00	325.00	325.00
	325.00	**325.00**	**325.00**
Issued, Subscribed & Paid up 30,00,100 (31st March, 2019: 30,00,100, 1st April, 2018: 30,00,100) Equity Shares of ` 10/- each	300.01	300.01	300.01
Total	**300.01**	**300.01**	**300.01**

(a) Reconciliation of the number of equity shares outstanding

Equity Shares	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
At the beginning of the year	30,00,100	3,00,01,000.00	30,00,100	3,00,01,000.00	30,00,100	3,00,01,000.00
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	30,00,100	3,00,01,000.00	30,00,100	3,00,01,000.00	30,00,100	3,00,01,000.00

(b) Rights, preferences and restrictions in respect of Equity Shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

(c) Details of Shareholders holding more than 5% of the equity shares each

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Yatin Sanjay Gupte	4,30,600	14.35%	-	-	-	-
Vettukallel Avirachan Sojan	3,62,800	12.09%	-	-	-	-
Venkata Ramana Revuru	2,77,200	9.24%	-	-	-	-
Kiran Baid	-	-	1,79,978	6.00%	1,79,978	6.00%
Baboolal Birmecha	-	-	2,97,900	9.93%	2,97,900	9.93%

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14. Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Special Reserve (Reserve Fund as per Section 45-IC of The Reserve Bank of India Act, 1934)			
Opening balance	5.15	5.15	
Add: Transfer from retained earnings	-	-	
Closing balance	**5.15**	**5.15**	**5.15**
Retained Earnings	(85.80)	(79.15)	
Add: Profit/(Loss) for the year	(12.75)	(6.64)	
Less: Income tax of earlier year	-	(0.01)	
Closing balance	**(98.55)**	**(85.80)**	**(79.15)**
Total	**(93.40)**	**(80.65)**	**(74.00)**

Nature and purpose of reserves

(i) Special Reserve (Reserve Fund as per Section 45-IC of The Reserve Bank of India Act, 1934)
Transfer of 20% of the profit after tax before re-measurement adjustments on transition to Ind AS, if any, to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934.
The conditions and restrictions for distribution attached to Special Reserve is as follows:
No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.
(ii) Retained Earnings
This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

15. Interest Income

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on loans measured at amortised cost	3.46	4.65
Total	**3.46**	**4.65**

16. Net Gain on Fair Value Changes

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
Equity instruments held as stock in trade	8.70	8.18
Total Net Gain on Fair Value Changes (A)	**8.70**	**8.18**
Realised	26.86	8.86
Unrealised	(18.16)	(0.68)
Total Net Gain on Fair Value Changes (B)	**8.70**	**8.18**

17. Other Income

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on Income Tax Refund	0.01	0.07
Liabilities no longer required written back	-	0.03
Total	**0.01**	**0.10**

18. Impairment on Financial Instruments (Net)

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
On loans measured at amortised cost		
Provision for impairment loss allowance	0.17	-
Provision for Standard Assets write off	-	(0.02)
Total	**0.17**	**(0.02)**

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19. Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries	10.69	9.97
Bonus	0.56	0.52
Total	**11.25**	**10.49**

20. Depreciation, Amortisation and Impairment

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation	0.72	0.72
Amortisation of Preliminary Expenses	1.61	1.61
Total	**2.33**	**2.33**

21. Other Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Rent, Taxes and Energy Costs	1.47	1.40
Repairs and Maintenance	0.07	0.11
Communication Costs	0.35	0.22
Printing and Stationery	0.41	0.52
Advertisement and Publicity	0.20	0.21
Director's Fees, Allowances and Expenses	0.64	0.15
Auditor's Fees and Expenses (refer Note No. 21.1)	0.42	0.30
Legal and Professional charges	6.38	3.44
Postage and Stamps	0.34	0.70
Motor Car Expenses	0.61	0.61
Membership Fees	0.71	-
General Charges	0.40	0.45
Other Expenses	0.02	0.07
Total	**12.02**	**8.18**

21.1 Auditor's Fees and Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Statutory Audit Fees	0.20	0.13
Tax Audit Fees	0.05	0.05
Certification Fees	0.17	0.12
Total	**0.42**	**0.30**

22. Earnings Per Equity Share

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Profit after tax attributable to Equity Shareholders (` in lakhs)	(12.75)	(6.64)
(b) Weighted average number of Equity Shares	30,00,100	30,00,100
(c) Nominal Value of Equity per share (`)	10.00	10.00
(d) Basic Earnings per share (a)/(b) (`)	(0.42)	(0.22)

23. Contingent Liabilities and Commitments

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Income tax (Demand for Assessment Year 2011-12)	10.39	-	-
Total	**10.39**	**-**	**-**

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Notes to the Financial Statements for the year ended 31st March, 2020

24. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

(₹ in lakhs)

Assets	As at 31st March, 2020			As at 31st March, 2019			As at 1st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	15.96	-	15.96	9.90	-	9.90	17.33	-	17.33
Receivables	2.90	-	2.90	-	-	-	-	-	-
Loans	31.66	16.74	48.40	-	30.86	30.86	-	35.55	35.55
Other Financial Assets	-	116.04	116.04	-	162.97	162.97	-	156.49	156.49
Current Tax Assets (Net)	-	0.87	0.87	-	1.55	1.55	-	2.05	2.05
Property, Plant and Equipment	-	1.82	1.82	-	2.54	2.54	-	3.26	3.26
Other Non-Financial Assets	31.90	-	31.90	17.11	-	17.11	13.81	-	13.81

(₹ in lakhs)

Liabilities	As at 31st March, 2020			As at 31st March, 2019			As at 1st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Payables	-	-	-	3.25	-	3.25	-	-	-
Borrowings (Other than Debt Securities)	6.00	-	6.00	-	-	-	0.25	-	0.25
Other Financial Liabilities	5.03	-	5.03	2.30	-	2.30	2.21	-	2.21
Other Non-Financial Liabilities	0.25	-	0.25	0.02	-	0.02	0.02	-	0.02

25. First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as at 1st April, 2018 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Company are as detailed below:

Mandatory exceptions to the retrospective application of Ind AS

(i) Estimates

The estimates at 1st April, 2018 and at 31st March, 2019 are consistent with those made for the same dates in accordance with previous Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2018, the date of transition to Ind AS and as at 31st March, 2019.

(ii) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Voluntary exemptions availed

(i) Derecognition of Financial Assets and Financial Liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past and to apply the derecognition requirements prospectively for transactions occurring on or after the transition date.

(ii) Classification of Debt Instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria based on the facts and circumstances that existed as on the transition date.

(iii) Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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25.1 Reconciliation of Equity as previously reported under previous Indian GAAP to Ind AS

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 1st April, 2018
Equity as reported under previous Indian GAAP	**219.36**	**226.01**
Remeasurements on transition to Ind AS	-	-
Equity as reported under Ind AS	**219.36**	**226.01**

25.2 Reconciliation of Total Comprehensive Income for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Year ended 31st March, 2019
Profit After Tax as reported under previous Indian GAAP	**(6.64)**
Adjustments on transition to Ind AS	-
Profit After Tax as reported under Ind AS	**(6.64)**
Other Comprehensive Income	-
Total Comprehensive Income as reported under Ind AS	**(6.64)**

26. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

27. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.12 to the financial statements.

(a) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
(i) Measured at Amortised Cost						
Cash and Cash Equivalents	15.96	15.96	9.90	9.90	17.33	17.33
Receivables	2.90	2.90	-	-	-	-
Loans	48.40	48.40	30.86	30.86	35.55	35.55
Other Financial Assets	0.03	0.03	0.03	0.03	0.03	0.03
Sub-total	**67.29**	**67.29**	**40.79**	**40.79**	**52.91**	**52.91**
(ii)Measured at Fair Value through Profit or Loss						
Other Financial Assets	116.01	116.01	162.94	162.94	156.46	156.46
Sub-total	**116.01**	**116.01**	**162.94**	**162.94**	**156.46**	**156.46**
Total Financial Assets	**183.30**	**183.30**	**203.73**	**203.73**	**209.37**	**209.37**
Financial Liabilities						
(i) Measured at Amortised Cost						
Payables	-	-	3.25	3.25	-	-
Borrowings (Other than Debt Securities)	6.00	6.00	-	-	0.25	0.25
Other Financial Liabilities	5.03	5.03	2.30	2.30	2.21	2.21
Total Financial Liabilities	**11.03**	**11.03**	**5.55**	**5.55**	**2.46**	**2.46**

Note: Carrying values of Financial Assets and Financial Liabilities measured at Amortised Cost are a reasonable approximation of their fair values.

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(b) Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Valuation techniques with observable inputs (Level 2): Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimated. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ in lakhs)

Particulars	As at	Level 1	Level 2	Level 3	Total
Financial Assets	31st March, 2020	116.01	-	-	116.01
Other Financial Assets	31st March, 2019	162.94	-	-	162.94
Equity instruments held as stock in trade	1st April, 2018	156.46	-	-	156.46

28. Risk Management

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is mainly exposed to market risk, liquidity risk and credit risk. It is also subject to various operating and business risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

(a) Market Risk

The Company is exposed to equity price risk arising from its equity instruments held as stock in trade. Equity price risk is related to the change in market reference price of the investment in equity securities. The Company considers factors such as track record, market reputation, fundamental and technical analysis for dealing in such instruments.

(b) Liquidity Risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

Liquidity risk management

(₹ in lakhs)

Particulars	As at 31st March, 2020			
	Less than 3 months	**3 to 12 months**	**> 12 months**	**Total**
Financial Assets				
Cash and Cash Equivalents	15.96	-	-	15.96
Receivables	2.90	-	-	2.90
Loans	-	31.66	16.74	48.40
Other Financial Assets	-	-	116.04	116.04
Total	**18.86**	**31.66**	**132.78**	**183.31**
Financial Liabilities				
i) Payables	-	-	-	-
ii) Borrowings	-	6.00	-	6.00
iii) Other Financial Liabilities	5.03	-	-	5.03
Total	**5.03**	**6.00**	**-**	**11.03**

(₹ in lakhs)

Particulars	As at 31st March, 2019			
	Less than 3 months	**3 to 12 months**	**> 12 months**	**Total**
Financial Assets				
Cash and Cash Equivalents	9.90	-	-	9.90
Receivables	-	-	-	-
Loans	-	-	30.86	30.86
Other Financial Assets	-	-	162.97	162.97
Total	**9.90**	**-**	**193.83**	**203.73**
Financial Liabilities				
i) Payables	3.25	-	-	3.25
ii) Borrowings	-	-	-	-
iii) Other Financial Liabilities	2.30	-	-	2.30
Total	**5.55**	**-**	**-**	**5.55**

N. K. DAGA & ASSOCIATES KOLKATA Chartered Accountants

ORCHID SECURITIES LIMITED
Notes to the Financial Statements for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	As at 1st April, 2018			
	Less than 3 months	3 to 12 months	> 12 months	Total
Financial Assets				
Cash and Cash Equivalents	17.33	-	-	17.33
Receivables	-	-	-	-
Loans	-	-	35.55	35.55
Other Financial Assets	-	-	156.49	156.49
Total	**17.33**	**-**	**192.04**	**209.37**
Financial Liabilities				
i) Payables	-	-	-	-
ii) Borrowings	0.25	-	-	0.25
iii) Other Financial Liabilities	2.21	-	-	2.21
Total	**2.46**	**-**	**-**	**2.46**

(c) Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Reconciliation of Expected Credit Loss (ECL) allowance on loans is given below:

(₹ in lakhs)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
ECL allowance - opening balance	**0.12**	**25.50**	**25.62**	**0.14**	**25.50**	**25.64**
Additions	0.17	-	0.17	-	-	-
Amounts written off	-	-	-	(0.02)	-	(0.02)
ECL allowance - closing balance	**0.29**	**25.50**	**25.79**	**0.12**	**25.50**	**25.62**

29. Disclosure pursuant to Ind AS 12 " Income Taxes"

The reconciliation of estimated income tax to income tax expense is as below:

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit/(Loss) Before Tax	**(11.97)**	**(6.64)**
Statutory Income Tax Rate	26.00%	26.00%
Expected income tax expense at statutory income tax rate	**(3.11)**	**(1.73)**
(i) Impact of MAT computation	3.57	-
(ii) Income exempt from tax/Items not deductible (net)	0.31	-
(iii) Difference due to tax impact of business losses	-	1.73
Total Tax Expense recognised in Statement of Profit and Loss	**0.78**	**-**

30. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

Key Management Personnel (KMP):

(i) Sajidhusain Ismailmiya Malek - Non-executive Director, w.e.f 31/01/2020*
(ii) Bhargav Govindprasad Pandya - Non-executive Director, w.e.f 31/01/2020*
(iii) Vandana Ravindran Nambiar - Non-executive Director, w.e.f 31/01/2020*
(iv) Mohsin Khan Pathan - Chief Financial Officer, w.e.f 01/02/2020
(v) Grishma A Shewale - Company Secretary, w.e.f 01/03/2020
(vi) B. L. Birmecha - Whole time Director, upto 01/06/2019
(vii) U.K. Nahata - Non-executive Director, upto 31/01/2020
(viii) L.P. Saraogi - Non-executive Director, upto 31/01/2020*
(ix) Deepak Banthia - Non-executive Director, upto 31/01/2020*
(x) Dimple Gupta - Non-executive Director, upto 31/01/2020
(xi) H.M. Baid - Chief Financial Officer, upto 31/01/2020
(xii) Shoaib Quarashi - Company Secretary, upto 30/05/2019
(xiii) Rimi Agarwal - Company Secretary, w.e.f 24/08/2019 and upto 30/01/2020
*also independent

N. K. DAGA & ASSOCIATES
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ORCHID SECURITIES LIMITED
Notes to the Financial Statements for the year ended 31st March, 2020

Details of Related Party Transactions:

(₹ in lakhs)

Name of the party and Nature of Relationship	Nature of Transaction	Year Ended For the year	Year Ended Balance Outstanding as on 31st March, 2020	Year Ended For the year	Year Ended Balance Outstanding as on 31st March, 2019	Balance Outstanding as on 1st April, 2018
KMP						
(i) Sajidhusain Ismailmiya Malek	Sitting Fees	0.15	0.14	-	-	-
(ii) Bhargav Govindprasad Pandya	Sitting Fees	0.15	0.14	-	-	-
(iii) Vandana Ravindran Nambiar	Sitting Fees	0.15	0.14	-	-	-
(iv) Mohsin Khan Pathan	Salary	1.10	0.55	-	-	-
(v) Grishma A Shewale	Salary	0.35	0.35	-	-	-
(vi) B. L. Birmecha	Sitting Fees	0.01	-	0.03	0.30	0.27
	Salary	0.52	-	3.00	0.25	0.25
(vii) U.K. Nahata	Sitting Fees	0.05	0.04	0.03	0.23	0.20
(viii) L.P. Saraogi	Sitting Fees	0.05	0.04	0.03	0.22	0.16
(ix) Deepak Banthia	Sitting Fees	0.05	0.04	0.02	0.07	0.05
(x) Dimple Gupta	Sitting Fees	0.05	0.04	0.02	0.04	0.02
(xi) H.M. Baid	Salary	1.91	-	2.62	0.19	0.19
(xii) Shoaib Quarashi	Salary	0.60	-	1.79	-	-
(xiii) Rimi Agarwal	Salary	0.98	-	-	-	-

Outstanding balances payable at the year-end are unsecured and settlement occurs in cash.

31. The Company's main business is financing and dealing in shares. As such, there are no separate reportable segments, as per Ind AS 108 "Operating Segments", issued by the Institute of Chartered Accountants of India.

32. In accordance with Ind AS 109 "Financial Instruments", in respect of Stage 3 assets interest is booked net of ECL. Since impairment on Stage 3 assets have been fully provided for, interest has not been recognised as income on such assets during the year to the extent of ` 3.82 lakhs (previous year: ` 3.82 lakhs).

33. No Deferred Tax Asset has been recognised as per Ind AS 12 "Income Taxes", as it is not probable that taxable profit will be available in the future against which such deductible temporary differences can be utilised.

34. COVID-19, a global pandemic has affected the world economy including India leading to significant decline and volatility in financial markets and decline in economic activities. On 24th March, 2020, the Indian Government announced a strict 21-day lock-down, which has been extended from time to time with or without relaxations across the country based on the severity of the spread at local levels. The extent to which the COVID-19 pandemic will impact the business operations and financial results of the Company and consequently the estimates and judgements made, could vary on future developments, which are uncertain at this point of time. However, the Company, based on current indicators of future economic conditions, has assessed that it will be able to recover the carrying amounts of its assets.

35. Disclosure as required under Annexure II of Master Direction - Core Investment Companies (Reserve Bank), Direction, 2016 - "Schedule to the Balance Sheet of a non-deposit taking Core Investment Company" is enclosed separately under Annexure A.
Disclosure as required by RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 is enclosed separately under Annexure B.

36. Figures pertaining to previous year have been rearranged/ regrouped, wherever necessary, to make them comparable with those of current year.

For **N. K. Daga & Associates**
Chartered Accountants
Firm Registration No. 324493E

N. K. DAGA & ASSOCIATES KOLKATA Chartered Accountants

FCA Nilesh Kumar Daga
Proprietor
Membership No. 059304

For and on behalf of the Board of Directors

Sojan V Avirachan
Managing Director
DIN - 07593791

Yatin Sanjay Gupte
Director
DIN - 07261150

Mohsin Khan Pathan
Chief Financial Officer

Grishma A Shewale
Company Secretary

Place: Vadodara
Date: 30.07.2020

ORCHID SECURITIES LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

Annexure A (continued)

5. Borrow group-wise classification of all leased assets, stock on hire and loans and advances:

(₹ in lakhs)

Category	As at 31st March, 2020 Amount of net of Provisions			As at 31st March, 2019 Amount of net of Provisions		
	Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1. Related Parties**						
(a) Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL	NIL	NIL
2. Other than related parties	--	48.40	48.40	--	30.86	30.86
Total	**--**	**48.40**	**48.40**	**--**	**30.86**	**30.86**

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in lakhs)

Category	As at 31st March, 2020		As at 31st March, 2019	
	Market Value/Break up or Fair Value or NAV	**Book Value (Net of Provisions)**	**Market Value/Break up or Fair Value or NAV**	**Book Value (Net of Provisions)**
1. Related Parties**				
(a) Subsidiaries	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL
2. Other than related parties	116.01	116.01	162.94	162.94
Total	**116.01**	**116.01**	**162.94**	**162.94**

** As per Ind AS of ICAI

7. Other Information

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Gross Non-Performing Assets		
(a) Related parties	NIL	NIL
(b) Other than related parties	25.50	25.50
(ii) Net Non-Performing Assets		
(a) Related parties	NIL	NIL
(b) Other than related parties	NIL	NIL
(iii) Assets acquired in satisfaction of debt	NIL	NIL
Total	**25.50**	**25.50**

Notes:

1. Pursuant to implementation of Ind AS, all disclosures are in compliance of the same. Loans are disclosed net of ECL.
2. The same as disclosed in the Balance Sheet under Other Financial Assets in compliance with Ind AS 109.
3. Previous years' figures have been disclosed as per Ind AS.

N. K. DAGA & ASSOCIATES
KOLKATA
Chartered Accountants

ORCHID SECURITIES LIMITED
Notes to the Financial Statements for the year ended 31st March, 2020
Annexure A

(₹ in lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities Side:				
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures:				
Secured	NIL	NIL	NIL	NIL
Unsecured	NIL	NIL	NIL	NIL
(other than falling within the meaning of Public Deposits)				
(b) Deferred Credits	NIL	NIL	NIL	NIL
(c) Term Loans	NIL	NIL	NIL	NIL
(d) Inter-corporate Loans and Borrowing	6.00	NIL	NIL	NIL
(e) Commercial Paper	NIL	NIL	NIL	NIL
(f) Other Loans	NIL	NIL	NIL	NIL

(₹ in lakhs)

Particulars	As at 31st March, 2020 Amount outstanding	As at 31st March, 2019 Amount outstanding
Asset side:		
2. Break up of Loans and Advances including bills receivables (other than those included in (3) below):		
(a) Secured	NIL	NIL
(b) Unsecured **(Refer Note 1)**	48.40	30.86
3. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial Lease	NIL	NIL
(b) Operating Lease	NIL	NIL
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	NIL	NIL
(b) Repossessed Assets	NIL	NIL
(iii) Other loans counting towards asset financing activities:		
(a) Loans where assets have been repossessed	NIL	NIL
(b) Loans other than (a) above	NIL	NIL
4. Break-up of Investments: **(Refer Note 2)**		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity	115.73	147.25
(b) Preference	0.28	0.15
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others (Please specify)	NIL	NIL
2. Unquoted:		
(i) Shares: (a) Equity	NIL	15.54
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others (Please specify)	NIL	NIL
Long Term Investments:		
1. Quoted:	NIL	NIL
(i) Shares: (a) Equity		
(b) Preference	NIL	NIL
(ii) Debentures & Bonds	NIL	NIL
(iii) Units of Mutual Fund	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others (Please specify)	NIL	NIL
2. Unquoted:		
(i) Shares: (a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures & Bonds	NIL	NIL
(iii) Units of Mutual Fund	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others (Please specify)	NIL	NIL

N. K. DAGA & ASSOCIATES ★ KOLKATA ★ Chartered Accountants

ORCHID SECURITIES LIMITED
Notes to the Financial Statements for the year ended 31st March, 2020

Annexure B

Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP Norms	Difference between Ind AS 109 and IRACP Norms
Performing Assets						
Standard	Stage 1	48.69	0.29	48.40	0.29	-
	Stage 2	-	-	-	-	-
Subtotal (A)		**48.69**	**0.29**	**48.40**	**0.29**	-
Non- Performing Assets(NPA)						
Substandard	Stage 3	-	-	-	-	-
Subtotal for sub-standard (B)		-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	25.50	25.50	-	25.50	-
Subtotal for doubtful (B)		**25.50**	**25.50**	-	**25.50**	-
Loss (C)	Stage 3	-	-	-	-	-
Subtotal for NPA (D) = (B)+(C)		**25.50**	**25.50**	-	**25.50**	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**48.69**	**0.29**	**48.40**	**0.29**	-
	Stage 2	-	-	-	-	-
	Stage 3	**25.50**	**25.50**	-	**25.50**	-
	Total	**74.19**	**25.79**	**48.40**	**25.79**	-

For **N. K. Daga & Associates**
Chartered Accountants
Firm Registration No. 324493E

N. K. DAGA & ASSOCIATES KOLKATA Chartered Accountants

Nilesh Kr Daga

FCA Nilesh Kumar Daga
Proprietor
Membership No. 059304

Place: Vadodara
Date: 30.07.2020

For and on behalf of the Board of Directors

Sojan V Avirachan
Managing Director
DIN - 07593791

Yatin Sanjay Gupte
Director
DIN - 07261150

Mohsin Khan Pathan
Chief Financial Officer

Grishma A Shewale
Company Secretary

ORCHID SECURITIES LIMITED

Significant Accounting Policies and Notes to Financial Statements

1(a) Corporate Information

Orchid Securities Limited (the "Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of the Company are listed on The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited. The Company is registered under section 45-IA of The Reserve Bank of India Act, 1934 to commence/carry on the business of a Non-Banking Financial Institution. The registration details are as follows:

RBI	B.05.00111
Corporate Identity Number (CIN)	L18209WB1994PLC062173

The registered office of the Company and the principal place of business is 36A, Bentinck Street, Kolkata - 700069.

"The financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 30th July, 2020."

1(b) Significant Accounting Policies

1.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs ("the MCA"), the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from 1st April, 2019 and the effective date of such transition is 1st April, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the RBI (collectively referred to as "the previous Indian GAAP").

Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 - First time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the previous Indian GAAP to Ind AS of Other Equity as at 1st April, 2018 and 31st March, 2019 and of the Total Comprehensive Income for the period ended 31st March 2019. Refer Note No. 1.13 for the details of first-time adoption exemptions availed by the Company and Note No. 25 for Reconciliation of Equity and Total Comprehensive Income for numbers reported under the previous Indian GAAP to Ind AS.

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1.2 Basis of Preparation and presentation

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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements require the use of certain significant accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosed amount of contingent liabilities.

Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in Note No. 1.15 - Significant accounting judgements, estimates and assumptions.

The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known / materialised.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakh, except otherwise indicated. Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.16.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to Non-Banking Financial Companies (NBFCs), as notified by the MCA.

1.3 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from Operations is recognised in the statement of Profit and Loss on an accrual basis as stated herein below:

a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVTOCI). The basis of computation of EIR is discussed in Note No. 1.12.3.

   Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.12.3.

c) Interest Income on credit impaired financial assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

d) Revenue from trading in securities/intraday transactions is accounted for on trade date basis.

e) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

1.4 Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method.

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

1.5 Employee Benefits

(A) **Defined Contribution Plans:**

Contribution as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Pension Fund is not applicable to the company.

(B) **Defined Benefit Plans:**

Gratuity in respect of all the employees are accounted for on cash basis.

(C) **Short-term and other long-term employee benefits:**

A liability is recognised for benefits accruing to employees in respect of salaries in the period in which related service is rendered.

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.

1.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantially enacted at the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

The Company's deferred tax is calculated using tax rate that are substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.7 Property, Plant and Equipment

Property, plant and equipment shown in the balance sheet consists of assets used in the provision of services or for administrative purposes.

Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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Chartered Accountants

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of Profit and Loss during the reporting period in which they are incurred.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the statement of Profit and Loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

Depreciation on assets purchased / sold during the period is recognised on a pro-rata basis.

1.8 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 pre-tax 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.

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If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) 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 been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of Profit and Loss.

1.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

In case of litigations, provision is recognised once it has been established that the Company has a present obligation based on information available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. Company does not recognised contingent liability

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but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

1.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.11 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM assess the financial performance and position of the Company and makes strategic decisions.

The Company is predominantly engaged in a single reportable segment of 'Financing and Dealing in Shares' as per Ind AS 108 - Segment Reporting.

1.12 Financial Instruments

Classification of financial instruments
The Company classifies its financial assets into the following measurement categories:
1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment
The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.

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- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.12.1 Recognition of Financial Instruments:

Financial assets and financial liabilities are recognised when entity becomes a party to the contractual provisions of the instruments. Loans & advances and all other regular way purchases or sales of financial assets are recognised and derecognised on the trade date basis.

1.12.2 Initial Measurement of Financial Instruments:

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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in the statement of Profit and Loss.

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1.12.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost:

These financial assets comprise bank balances, loans, trade receivables, other receivables, investments and other financial assets.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Profit or Loss (FVTPL):

A financial asset which is not classified as amortised cost or FVTOCI is measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Any differences between the fair values of financial assets classified as FVTPL and held by the Company on the balance sheet date is recognised in the statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from Operations and if there is a net loss the same is recognised in "Net loss on fair value changes" under Expenses in the statement of Profit and Loss.

Effective Interest Rate (EIR) Method:

The EIR is a method of calculating the amortised cost of a debt instrument and of allocating interest income or expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability on initial recognition.

The EIR for financial assets or financial liability is computed:

a) By considering all the contractual terms of the financial instrument in estimating the cash flows
b) Including fees and transaction costs that are integral part of EIR.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

No Expected credit losses are recognised on equity investments.

Derecognition of Financial Assets:
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset accounted under Ind AS 109 in its entirety:

a) For financial assets measured at amortised cost, the gain or loss is recognised in the statement of Profit and Loss.
b) For financial assets measured at fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be reclassified within equity.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a liability for the proceeds received.

Modification/ revision in estimates of cash flows of financial assets:
When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in the statement of Profit and Loss.

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(B)Financial Liabilities & Equity Instruments

Classification as debt or equity:

Financial liabilities and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments".

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of Profit and Loss.

1.12.4 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

1.12.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 as follows:

Level 1 financial instruments: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 financial instruments: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimated. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.

Level 3 financial instruments: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

1.12.6 Overview of the Expected Credit Loss (ECL) principles

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

For portfolio of exposures, ECL is modelled as the product of the probability of default, the loss given default and the exposure at default.

In case of assets identified to be significantly credit-impaired to the extent that default has happened or seems to be a certainty rather than probability, ECL would be determined by directly estimating the receipt of cash flows and timing thereof.

Staging:

The loan portfolio would be classified into three stage-wise buckets – Stage 1, Stage 2 and Stage 3 – corresponding to the contracts assessed as performing, under-performing and non-performing, in accordance with the Ind-AS guidelines. The key parameter used for stage-wise classification would be days past due (DPDs).

Stage 1: Ongoing exposures with DPD up to 30 days

Stage 2: Ongoing exposures with DPD between 61 and 90 days

Stage 3: Ongoing exposures with DPD of 91 days or more, and any other contracts identified from time to time by the management.

Methodology:

The basis of the ECL calculations are outlined below which is intended to be more forward-looking. Key elements of ECL are, as follows:

Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The key tenets of Company's methodology are as under:

Past performance as basis for ECL discovery: Company's ECL methodology is based on discovery of the relevant parameters - namely EAD, PD and LGD - from the Company's actual performance of past portfolios.

Life Cycle Determination: A significant portion of the advances of the Company is short-term in nature. Based on maturity pattern on the Company's advances in past years, the average life cycle has been considered as 1 year.

The management will continue to monitor the loan cases on an ongoing basis, and have the discretion to make higher provisions on the basis expected recovery of the individual accounts wherever considered necessary.

1.13 First time adoption

These financial statements, for the year ended 31st March, 2020 are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2019 the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2020 together with the comparative period data as at and for the year ended 31st March, 2019 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2018 the Company's date of transition to Ind AS. In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below:

Mandatory Exceptions

1.13.1 Estimates

The estimates at 1st April, 2018 and at 31st March, 2019 are consistent with those made for the same dates in accordance with previous Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2018, the date of transition to Ind AS and as at 31st March, 2019.

1.13.2 Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

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Voluntary exemptions availed

1.13.3 Derecognition of Financial Assets and Financial Liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past and to apply the derecognition requirements prospectively for transactions occurring on or after the transition date.

1.13.4 Classification of Debt Instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria based on the facts and circumstances that existed as on the transition date.

1.13.5 Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

1.14 Earnings per Share ('EPS')

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year 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. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

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1.15 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1.15.1 Impairment losses on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, nature of assets underlying assets financed, levels of arrears, credit utilization, loan to collateral ratios etc.), and the concentration of risk and economic data (including levels of unemployment, country risk and performance of different individual groups). These significant assumptions have been applied consistently to all period presented.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.12.6 Overview of ECL principles

1.15.2 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model, if so, then it will be a prospective change to the classification of those assets.

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1.15.3 Provisions other than loan impairment

Provisions are held in respect of a range of future obligations such as employee entitlements, litigation provisions, etc. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions.

1.15.4 Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.15.5 EIR method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

1.15.6 Other estimates

These include contingent liabilities, useful lives of tangible etc.

1.16 Preliminary Expenses

Preliminary Expenses is written off in accordance with Section 35D of the Income Tax Act, 1961.

1.17 Recent Amendments to Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

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