



S K AGRAWAL & CO

Chartered Accountants

Firm Registration No. 306033E

SUITE NOS : 606-608

THE CHAMBERS, OPP. GITANJALI STADIUM

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INDEPENDENT AUDITOR'S REPORT

To the Members of MICROSEC RESOURCES PRIVATE LIMITED

Report on the Financial Statements

Opinion

We have audited the aforesaid financial statements of **Microsec Resources Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, 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 financial statements give the information required by 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, 2019, its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management and Those Charged with Governance for 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 financial statements 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 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes 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 book
- (c) The Balance Sheet, the 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 relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (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) Rules, 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. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company.



For **S.K. Agrawal & Co.**
Chartered Accountants
Firm's Registration Number- 306033E

Mamta Jain

Mamta Jain

Partner

Membership No: 061299

Place of Signature: Kolkata
Date: 17th May, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MICROSEC RESOURCES PRIVATE LIMITED** ("the Company") as of March 31, 2019 to the extent of records available with us 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

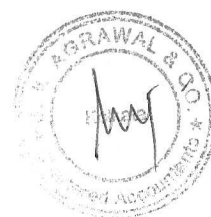
The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was 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.



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 disposition of the company's assets that could have a material effect on the financial statements.

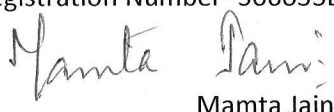
Limitations of Internal Financial Controls Over Financial Reporting

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, to the best of our information and according to the explanations given to us, 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, 2019, based on the internal control over financial reporting criteria established by the Company.



For S.K. Agrawal & Co.
Chartered Accountants
Firm's Registration Number- 306033E

Mamta Jain
Partner
Membership No: 061299

Place of Signature: Kolkata

Date: 17th May, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

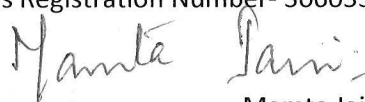
- i. In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us, no immovable properties are held in the name of the Company.
- ii. The Company is engaged in the business of providing financial services and is not required to maintain inventory. Consequently, the requirements of paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is 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 Sections 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- vi. As explained to us, the Company is not required to maintain cost records prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) According to the records of the company, the dues outstanding of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows: -

Nature of the statute	Nature of dues	Amount under dispute not yet deposited (Rs in Lacs)	Financial Year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax (Disallowance of certain exp)	36.88	2013-14	CIT Appeals
		1.02	2014-15	CIT Appeals



- viii. In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions and government during the year.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has not paid any managerial remuneration during the year under review. Accordingly paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, Section 177 of the Companies Act, 2013 is not applicable to the company and the Company is in compliance with Section 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- 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 any non-cash transactions with its Directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration for the same has been obtained.



For **S.K. Agrawal & Co.**
Chartered Accountants
Firm's Registration Number- 306033E

Mamta Jain
Partner
Membership No: 061299

Place of Signature: Kolkata

Date: 17th May, 2019



S K AGRAWAL & CO

Chartered Accountants
Firm Registration No. 306033E

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AUDITORS' REPORT UNDER RESERVE BANK OF INDIA
NBFC DIRECTION, 2016 for the year Ended 31.03.2019

To,
The Board of Directors,
Microsec Resources Private Limited

As required under Non Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016 and on the basis of information and explanation given to us, we report that:

3A)

1. The company is engaged in the business of non-banking financial institution as defined in section 45-I(a) of the RBI Act and meeting the Principal Business Criteria (Financial asset/income pattern) as laid down vide the Bank's press release dated April 08, 1999, and directions issued by DNBR, the company has obtained a Certificate of Registration from the Bank.
2. On the basis of Balance Sheet & Profit & Loss account for the year ended 31.03.2019 in our opinion the Company is entitled to continue to hold such certificate of Registration in terms of its Principal Business Criteria (Financial asset/income pattern).
3. On the basis of Balance Sheet & Profit & Loss account for the year ended 31.03.2019 in our opinion the company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company- Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

3C)

1. The Board of Directors has passed a resolution for Non-Acceptance-of any Public Deposits.
2. The Company has not accepted any deposit from the public during the year ended 31st March, 2019.
3. The Company has complied with the prudential Norm relating to the Income Recognition, Accounting Standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non Banking Financial (Non Deposits Accepting or Holding) 'Companies Prudential Norms (Reserve Bank) Directions 2016.

4. The Company is not a systematically Important Company as defined in Paragraph 3(xxvili) of the Non Banking Financial Company Non systematically Important Company Non Deposit taking Company (Reserve Bank) Directions, 2016.

For S K Agrawal and Co.

Chartered Accountants

FRN: 306033E

Mamta Jain

Mamta Jain

Partner

Membership No.: 061299



Place: Kolkata

Date: 17th May, 2019

MICROSEC RESOURCES PRIVATE LIMITED

Corporate Identity No. (CIN)- U51109WB1994PTC066509
Azimganj House, 7, Camac Street, 2nd Floor
Kolkata - 700 017



BALANCE SHEET AS AT 31ST MARCH, 2019

	Notes	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Fund			
(a) Share Capital	2	32,10,000	32,10,000
(b) Reserves and Surplus	3	2,69,25,026	3,73,91,861
2. Non-current Liabilities			
(a) Long-term borrowings	4	21,24,73,496	18,78,83,913
3. Current Liabilities			
(a) Short-term borrowings	5	-	3,50,00,000
(b) Trade Payables	6	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		89,384	89,519
(c) Other current liabilities	7	1,69,963	30,39,836
(d) Short-term provisions	8	5,73,444	6,16,550
		<u>24,34,41,313</u>	<u>26,72,31,679</u>
II. ASSETS			
1. Non Current assets			
(a) Property, Plant and Equipment	9	89,371	88,298
(b) Non Current Investment	10	8,13,98,410	8,32,51,703
(c) Deferred Tax Assets (Net)	11	1,82,690	1,94,533
(d) Long Term Loans and Advances	12	2,43,46,589	2,43,46,589
2. Current assets			
(a) Current Investments	13	1,01,61,381	-
(b) Trade Receivable		17,077	35,704
(c) Cash and Cash Equivalents	14	9,89,486	26,11,131
(d) Short Term Loans and Advances	15	12,62,56,309	15,67,03,721
		<u>24,34,41,313</u>	<u>26,72,31,679</u>

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **S.K.Agrawal & Co.**

Chartered Accountants

Firm Registration No: 306033E

Mamta Jain

Mamta Jain

Partner

Membership No. 961299

Place : Kolkata

Date : 17th May, 2019



For and on behalf of the Board of Directors

B.L. Mittal

Banwari Lal Mittal

Director

DIN : 00365809

R.K. Sharma

Ravi Kant Sharma

Director

DIN : 00364066

MICROSEC RESOURCES PRIVATE LIMITED
Corporate Identity No. (CIN)- U51109WB1994PTC066509
Azimganj House, 7, Camac Street, 2nd Floor
Kolkata - 700 017



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Notes	2018-19 Rs.	2017-18 Rs.
I. Revenue from Operations	16	1,85,42,927	2,85,67,119
II. Other Income	17	80,000	-
III. Total Revenue		1,86,22,927	2,85,67,119
IV. Expenses:			
Employee Benefits Expense	18	26,24,018	26,58,874
Finance Costs		5,57,951	28,50,411
Depreciation	9	9,366	12,369
Other Expenses	19	12,71,106	12,87,017
Amortised discount on Deep Discount Debentures		2,45,89,583	2,16,45,011
Provision for Standard Assets		-	65,000
		2,90,52,024	2,85,18,682
V. Profit/(Loss) Before Tax		(1,04,29,097)	48,437
VI. Tax Expenses:			
(a) Current Tax		-	-
(b) Income Tax of Earlier Years		25,895	(5,043)
(c) Deferred Tax Charge / (Credit)		11,843	3,195
		37,738	(1,848)
VII. Profit/(Loss) for the year		(1,04,66,835)	50,285
VIII. Earnings per equity share:			
Basic and Diluted (Nominal Value per share Rs. 10)	20	(32.61)	0.16
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **S.K.Agrawal & Co.**

Chartered Accountants

Firm Registration No: 306033E

Mamta Jain

Mamta Jain

Partner

Membership No. 061299

Place : Kolkata

Date : 17th May, 2019



For and on behalf of the Board of Directors

B. L. Mittal

Banwari Lal Mittal

Director

DIN : 00365809

R. K. Sharma

Ravi Kant Sharma

Director

DIN : 00364066

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

		(Amount in Rs.)	
	Particulars	2018-19	2017-18
A.	Cash Flow from Operating Activities		
	Profit before tax	(1,04,29,097)	48,437
	Adjustments for :-		
	Depreciation	9,366	12,369
	Provision for Gratuity	36,894	(75,864)
	Interest Paid	5,57,951	28,50,411
	Dividend	(3,79,146)	(2,04,592)
	Provision for Standard Assets	(80,000)	65,000
	Discount on Deep Discount Debentures written off	2,45,89,583	2,16,45,011
	Operating profit before working capital changes	1,43,05,551	2,43,40,772
	(Decrease) in Trade Payables	(135)	(19,742)
	(Decrease) in Other Current Liabilities	(3,04,503)	(23,73,877)
	Decrease / (Increase) in Trade Receivable	18,627	(35,704)
	(Increase) / Decrease in Short-Term Loans and Advances	3,18,00,701	(2,61,37,874)
	(Increase) / Decrease in Current Investments	(1,01,61,381)	1,00,00,000
	Cash (used in)/generated from operations	3,56,58,860	57,73,575
	Income Tax Paid (net of refund)	(13,79,186)	(12,84,849)
	Net cash (used in)/generated from operating activities	3,42,79,674	44,88,726
B.	Cash Flow from Investing Activities		
	Purchase of Propety, Plant & Equipment	(10,439)	-
	Purchase of Non Current Investment	(1,84,70,078)	(37,64,81,790)
	Sale of Non Current Investment	2,03,23,373	29,32,30,087
	Dividend Received	3,79,146	2,04,592
	Net cash from / (used in) investing activities	22,22,002	(8,30,47,111)
C.	Cash Flows from Financing Activities		
	Interest Paid	(31,23,321)	(2,85,041)
	Proceeds from Short Term Borrowings	1,38,00,000	12,00,00,000
	Repayment of Short Term Borrowings	(4,88,00,000)	(8,50,00,000)
	Net cash generated from/(used in) financing activities	(3,81,23,321)	3,47,14,959
D.	Net change in cash and cash equivalents (A+B+C)	(16,21,645)	(4,38,43,426)
E.	Cash and Cash equivalents - Opening Balance	26,11,131	4,64,54,557
F.	Cash and Cash equivalents - Closing Balance	9,89,486	26,11,131

Components of cash and cash equivalent as indicated in Note 14 comprises of :

Cash on hand	1,461	12,765
Balance with scheduled banks on Current Account	9,88,025	25,98,366
Total	9,89,486	26,11,131

As per our attached report of even date

For S.K.Agrawal & Co.
Chartered Accountants
Firm Registration No: 306033E

Mamta Jain

Mamta Jain
Partner
Membership No. 061299



For and on behalf of the Board of Directors

B.C. Mittal

Banwari Lal Mittal
Director
DIN : 00365809

R.K. Sharma

Ravi Kant Sharma
Director
DIN : 00364066

Place : Kolkata
Date : 17th May, 2019

Notes to Financial Statements as at and for the year ended 31st March, 2019

1 Summary of Significant Accounting Policies:

i) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for change in accounting policy explained below.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon 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 amount of assets and liabilities in future periods.

iii) Revenue Recognition

a) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

b) Dividend income is recognized when the shareholder's right to receive payment is established by the balance sheet date.

c) Profit / (loss) on sale of investments is determined based on the weighted average cost of the investments sold.

iv) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

v) Impairment of Fixed assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the 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 risks specific to the asset.

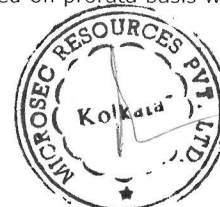
After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

vi) Depreciation on Property, Plant and Equipment

a) Depreciation on Property, Plant and Equipment is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.

b) Depreciation on Property, Plant and Equipment added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.



Notes to Financial Statements as at and for the year ended 31st March, 2019

vii) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the company recognizes the unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Minimum Alternative Tax (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 recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, 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.

viii) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

ix) Debenture Redemption Reserve

As a matter of prudence, the Company, as per the management's discretion, creates debenture redemption reserve for redemption of privately placed debentures on a straight line basis over the tenure of the respective debentures subject to availability of profits.

x) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as Current Investments. All other Investments are classified as Long Term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term Investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

In case of investment in Mutual Funds, the net asset value of units declared by the mutual funds is considered as fair value.

xi) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



Notes to Financial Statements as at and for the year ended 31st March, 2019

xii) Contingent Liabilities

A 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

xiii) Retirement and other employees Benefits

a. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

b. Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains / losses are recognized in full in the period in which they occur in the Statement of Profit and Loss. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities

c. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

d. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

xiv) Earning Per Share

Earnings per share 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 weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xv) Provisioning on Standard Assets

The Reserve Bank of India (RBI) vide Notification No. DNBS 223/CGM (US) 2011 dated 17th January, 2011 has issued direction to all NBFCs to make provision of 0.25% on standard assets with immediate effect. Accordingly, the Company has made provision @0.25% on standard assets in accordance with RBI directions.

xvi) Loan Assets

Loan asset includes loans given by the Company, repayable on demand and are secured by collateral offered by the customers.

xvii) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and Cash/Cheque in hand and short-term investments with an original maturity of three months or less.



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 Rs	As at 31.03.2018 Rs
2. SHARE CAPITAL		
Authorised Shares		
14,10,000 (2017-18: 10,10,000) Equity Shares of Rs. 10 each	<u>1,41,00,000</u>	<u>1,01,00,000</u>
	<u>1,41,00,000</u>	<u>1,01,00,000</u>
Issued, Subscribed and Paid-up Shares		
3,21,000 (2017-18: 3,21,000) Equity Shares of Rs. 10 each, fully paid	<u>32,10,000</u>	<u>32,10,000</u>
	<u>32,10,000</u>	<u>32,10,000</u>

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	As at 31st March, 2019		As at 31st March, 2018	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	3,21,000	32,10,000	3,21,000	32,10,000
Issued during the period	-	-	-	-
Outstanding at the beginning and at the end of the year	3,21,000	32,10,000	3,21,000	32,10,000

(b) Terms / Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by holding company

Out of the equity shares issued by the company, shares held by its holding company are as below:-

	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Sastasundar Ventures Limited (formerly Microsec Financial Services Limited), the Holding Company		
3,21,000 (2017-18: 3,21,000) Equity Shares of Rs. 10 each, fully paid up	32,10,000	32,10,000

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No of shares	% of holding	No of shares	% of holding
(Equity shares of Rs. 10 each fully paid up)				
Sastasundar Ventures Limited (formerly Microsec Financial Services Limited) and its nominees	32,10,000	100.00%	3,21,000	100.00%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents beneficial ownership of shares.



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

3. RESERVES AND SURPLUS

Securities Premium Account (As per the last Financial Statements)

As per the last financial statements
Add : Premium on issue of equity shares

As at 31.03.2019 Rs	As at 31.03.2018 Rs
1,00,27,000	1,00,27,000
-	-
1,00,27,000	1,00,27,000

Debenture Redemption Reserve

As per the last financial statements
Add: Amount transferred from Surplus balance in the Statement of Profit and Loss

1,62,35,998	1,62,35,998
-	-
1,62,35,998	1,62,35,998

Reserve under Section 45-IC of the Reserve Bank of India Act, 1934

As per the last financial statements
Add: Amount transferred from Surplus balance in the Statement of Profit and Loss

71,49,600	71,39,540
-	10,060
71,49,600	71,49,600

According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year as disclosed in the Statement of Profit and Loss and before declaration of dividend.

Surplus in the Statement of Profit and Loss

As per the last financial statements
Add: Profit for the year

39,79,263	39,39,038
(1,04,66,835)	50,285
(64,87,572)	39,89,323

Less : Appropriations

Transferred to Debenture Redemption Reserve

Transferred to Reserve under Section 45-IC of Reserve Bank of India Act, 1934

-	-
-	10,060
(64,87,572)	39,79,263
2,69,25,026	3,73,91,861

4. LONG TERM BORROWINGS

Deep Discount Debentures (Unsecured)

Deep Discount Debentures- Series III

(Issued during the financial year 2001-2002
Face Value Rs. 7,50,00,000 issued at a discounted price of Rs. 1,00,00,000
and redeemable at par on 16.12.2021 i.e.20 years from the date
of allotment)

Less: Discount on issue of debentures to the extent
not yet accrued

7,50,00,000	7,50,00,000
1,76,04,017	2,31,04,651
5,73,95,983	5,18,95,349

A

Deep Discount Debentures- Series II

(Issued during the financial year 2001-2002
Face Value Rs. 7,50,00,000 issued at a discounted price of Rs. 1,00,00,000
and redeemable at par on 12.12.2021 i.e.20 years from the date
of allotment)

Less: Discount on issue of debentures to the extent
not yet accrued

7,50,00,000	7,50,00,000
1,76,04,017	2,31,04,651
5,73,95,983	5,18,95,349

B

Deep Discount Debentures- Series I

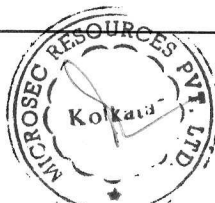
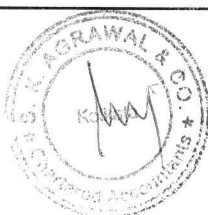
(Issued during the financial year 1999-2000
Face value Rs. 10,00,00,000, at a discounted price of Rs. 50,00,000
and redeemable at par on 31.05.2019 i.e.20 years from the date
of allotment)

Less: Discount on issue of debentures to the extent
not yet accrued

10,00,00,000	10,00,00,000
23,18,470	1,59,06,785
9,76,81,530	8,40,93,215
21,24,73,496	18,78,83,913

C

A + B + C



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 Rs	As at 31.03.2018 Rs
5. SHORT TERM BORROWINGS		
From a related party (Refer Note 25)		
Sastasundar Ventures Limited (unsecured)	-	3,50,00,000
	<u>-</u>	<u>3,50,00,000</u>

6. TRADE PAYABLES

Due to Micro and Small Enterprises *	-	-
Due to Others	89,384	89,519
	<u>89,384</u>	<u>89,519</u>

* Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures thereof are made in these accounts.

7. OTHER CURRENT LIABILITIES

Interest accrued but not due on short term borrowings	-	25,65,370
Statutory Liabilities	16,977	3,07,297
Other Payables	1,52,986	1,67,169
	<u>1,69,963</u>	<u>30,39,836</u>

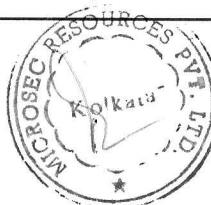
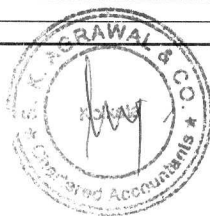
8. SHORT-TERM PROVISIONS

Provision for Gratuity (Refer Note 24)	2,74,444	2,37,550
Other Provisions		
For Standard Assets	2,99,000	3,79,000
	<u>5,73,444</u>	<u>6,16,550</u>

9. PROPERTY, PLANT & EQUIPMENT

(Amount in Rs.)

Particulars	Computer and allied equipments	Furniture and Fixtures	Total
Gross Block			
At April 1, 2017	24,47,696	3,83,213	28,30,909
Additions	-	-	-
Disposals	-	-	-
At March 31, 2018	24,47,696	3,83,213	28,30,909
Additions	10,439	-	10,439
Disposals	-	-	-
At March 31, 2019	24,58,135	3,83,213	28,41,348
Depreciation			
At April 1, 2017	23,70,426	3,59,816	27,30,242
Charge for the year	6,310	6,059	12,369
Disposals	-	-	-
At March 31, 2018	23,76,736	3,65,875	27,42,611
Charge for the year	4,877	4,489	9,366
Disposals	-	-	-
At March 31, 2019	23,81,613	3,70,364	27,51,977
Net Block			
At March 31, 2018	70,960	17,338	88,298
At March 31, 2019	76,522	12,849	89,371



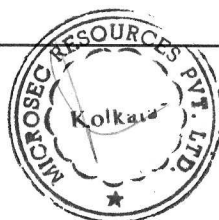
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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

10. Non Current Investment

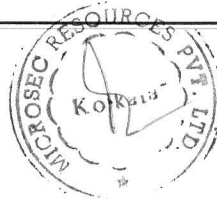
	Face Value per Share/unit	No. of Shares / Units	As at 31.03.2019	As at 31.03.2018
	Rs.		Rs.	Rs.
Non Trade Investment (valued at cost unless otherwise stated)				
Unquoted Equity Shares (fully paid up)				
In Wholly Owned Subsidiary Companies				
Microsec Wealth Management Limited	10	60,00,000 (6000000)	6,00,00,000	6,00,00,000
Quoted Equity Shares (fully paid up)				
Apollo Hospitals Enterprise Limited	5	2,000 (2000)	24,03,556	24,03,556
Kovai Medical Center and Hospital Limited	10	767 (767)	9,80,732	9,80,732
Narayana Hrudayalaya Limited	10	7,000 (7000)	20,21,949	20,21,949
Power Grid Corporation of India Limited	10	39,500 (39500)	75,65,560	75,65,560
The New India Assurance Company Limited	5	- (12000)	-	83,08,353
Orient Electric Limited		- (31000)	-	19,71,553
Bandhan Bank Limited	10	10460 (-)	49,89,968	-
Sun Pharmaceutical Industries Limited	1	4,870 (-)	22,47,467	-
Ramkrishna Forgings Ltd	10	1,979 (-)	11,86,100	-
Vodafone Idea Ltd	10	100 (-)	3,078	-
			8,13,98,410	8,32,51,703
Aggregate Value of Investments				
Unquoted			6,00,00,000	6,00,00,000
Quoted			2,13,98,410	2,32,51,703
Market Value of Quoted Investments			2,12,29,136	2,31,41,765
11. DEFERRED TAX ASSETS (NET)				
Deferred Tax Asset				
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting.			5,496	4,019
Provision for standard assets			92,391	1,17,111
Impact of expenditure charged to the statement of Profit and Loss in the Current Year but allowed for tax purposes on payment basis.			84,803	73,403
Sub Total (A)			1,82,690	1,94,533
Deferred Tax Liability				
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting.			-	-
Sub Total (B)			-	-
Net Deferred Tax Asset (A-B)			1,82,690	1,94,533



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	As at 31.03.2019 Rs	As at 31.03.2018 Rs
12. LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance against Investment Property (Refer Note 23)	1,22,11,098	1,22,11,098
Advance Tax and Tax Deducted at Source (Net of Provisions Rs. 63,41,090 (2017-18: Rs. 62,25,190))	1,21,35,491	1,21,35,491
	2,43,46,589	2,43,46,589
13. CURRENT INVESTMENTS		
(Valued at fair value)		
	No. of Units	
<u>Unquoted Mutual Fund (fully paid up)</u>		
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	2,265.630	1,01,61,381
	(-)	-
	1,01,61,381	-
Aggregate Value of Investments		
Unquoted	1,01,61,381	-
Aggregate Net Asset Value of Mutual Fund Units	1,02,84,171	-
14. CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents		
Cash on hand	1,461	12,765
Balance with scheduled banks on Current Accounts	9,88,025	25,98,366
	9,89,486	26,11,131
15. SHORT TERM LOANS AND ADVANCES		
(Considered good, unless otherwise stated)		
A. Loans (Bearing Interest)		
Secured		
To other parties	-	-
	-	-
Unsecured		
To other parties	11,61,39,278	15,12,06,605
To Related Parties	32,71,851	-
	11,94,11,129	15,12,06,605
	(A)	
B. Advances		
(Unsecured, considered good, unless otherwise stated)		
Balance with Government Authority	71,001	44,491
Security Deposits	17,000	-
Advance recoverable in cash or in kind or for value to be received	1,013	17,500
Prepaid Expense	1,47,630	1,79,880
Advance Tax and Tax Deducted at Source (Net of Provisions Rs. NIL (2017-18: Rs. 1,15,900))	66,08,536	52,55,245
	68,45,180	54,97,116
	(B)	
	(A + B)	
	12,62,56,309	15,67,03,721

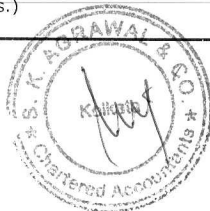


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**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019**

	2018-19 Rs.	2017-18 Rs.
16. REVENUE FROM OPERATIONS		
(a) Interest		
Interest on Loans (Gross)	1,41,00,589	1,31,50,241
(b) Other Financial Services		
Profit from sale of Non Current Non Trade Quoted Investments	34,65,461	1,37,10,181
Profit from sale of Current Investments	2,13,437	14,34,975
Dividend Income	3,79,146	2,04,592
Brokerage & Commission Income	3,84,294	67,130
	1,85,42,927	2,85,67,119
17. OTHER INCOME		
Reversal of Provision for Standard Asset	80,000	-
	80,000	-
18. EMPLOYEE BENEFITS EXPENSE		
Salaries, bonus, etc.	25,23,896	24,60,260
Contribution to Provident and other funds	55,195	47,495
Contribution to Employees' State Insurance	8,033	13,782
Gratuity Expense (Refer Note 24)	36,894	70,326
Employees Welfare Expenses	-	67,011
	26,24,018	26,58,874
19. OTHER EXPENSES		
Bank and Demat Charges	25,157	43,131
Communication Expenses	11,027	51,016
Repairs and Maintenance - Others	30,902	30,035
Legal and Professional Fees	6,22,885	2,55,156
Rates and Taxes	31,650	1,54,100
Filing Fees	2,400	1,800
Travelling and Conveyance	1,21,252	3,12,369
Printing and Stationery	39,624	55,769
Insurance Premium	6,920	137
Membership & Subscription	1,76,196	47,620
Irrecoverable debts/advances written off	-	14,311
Auditors' Remuneration		
Audit Fees	60,000	60,000
Tax Audit Fees	15,000	15,450
Miscellaneous Expenses	1,28,093	2,46,123
	12,71,106	12,87,017
20. EARNINGS PER SHARE		
Basis for calculation of Basic and Diluted Earnings Per Share is as under:		
Profit after tax (Rs.)	(1,04,66,835)	50,285
Weighted Average Number of Equity Shares (Nos.)	3,21,000	3,21,000
Nominal Value of each Equity Share (Rs.)	10	10.00
Basic and Diluted Earnings Per Share (Rs.)	(32.61)	0.16



Notes to the financial statements as at and for the year ended 31st March, 2019

- 21** In terms of Accounting Standard 17 – "Segment Reporting" notified by the Companies Act, 2013 the Company is engaged in the business of Financing and has only a single reportable segment.
The Company operates in only one geographical segment i.e. 'Within India' and no separate information for geographical segment has been given.

- 22** Contingent Liabilities: The breakup of contingent liabilities is as under:

Particulars	As at 31.03.2019	As at 31.03.2018
Disputed Income Tax demands in Appeal *	3,789,380	8,286,290

*The management believes that the company has a good chance of success in above mentioned cases and hence no provision there against is considered necessary.

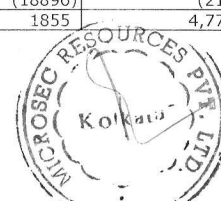
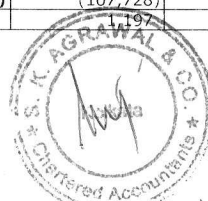
23 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) – Rs. 13,70,881/- (2017-18: Rs. 13,70,881).

- 24** The Company has a defined employee benefit plan in the form of gratuity. Every employee, who has completed five years or more of services, gets a gratuity on departure @ 15 days of last drawn salary for each completed years of service. The gratuity scheme is entrusted with Life Insurance Corporation of India.

The following table summarises the components of gratuity expenses recognised in the statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

Sl. No.	Particulars	2018-19 (Rs.)	2017-18 (Rs.)			
(i)	Net Employee Expense / (benefit)					
	Current service cost	27,831	32,816			
	Interest cost on benefit obligation	18,678	22,841			
	Expected return on plan assets	339	8,443			
	Curtailment cost	-	-			
	Net Actuarial (gain) /loss recognised for the year	(9,276)	23,112			
	Total employer expense recognised in Statement of Profit and Loss	36,894	70,326			
(ii)	Actual return on plan assets	321	1,407			
(iii)	Benefit Asset/ (Liability)					
	Defined benefit obligation	279,158	241,943			
	Fair value of Plan Assets	4,714	4,393			
	Benefit Asset/(Liability)	(274,444)	(237,550)			
(iv)	Movement in benefit liability					
	Opening defined benefit obligation	241,943	423,063			
	Interest cost	18,678	22,841			
	Current service cost	27,831	32,816			
	Curtailment cost	-	-			
	Benefit Paid	-	252,853			
	Actuarial (gains)/losses on obligation	(9,294)	16,076			
	Closing benefit obligation	279,158	241,943			
(v)	Movement in fair value of plan assets					
	Opening fair value of plan assets	4,393	109,649			
	Expected Return on plan assets	339	8,443			
	Contribution by employer	-	146,190			
	Benefits paid	-	252,853			
	Actuarial gains/(losses) on plan assets	(18)	(7,036)			
	Closing fair value of plan assets	4,714	4,393			
(vi)	Major categories of plan assets as a percentage of the fair value of total plan assets					
	Investments in insurance managed fund	100%	100%			
(vii)	The principal actuarial assumptions are as follows					
	Discount rate	7.72%	7.70%			
	Expected rate of return on plan assets	7.72%	7.70%			
	Salary increase	6.00%	6.00%			
	Withdrawal rates	1.00%	1.00%			
(viii)	Amount incurred as expense for Defined Contribution plans					
	Contribution to Employees' Provident Fund	55,195	47,495			
	Contribution to Employees State Insurance	8,033	13,782			
(ix)	The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.					
(x)	The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.					
(xi)	The Company expects to contribute Rs. 1,00,000 (2017-18: Rs. 1,00,000) to Gratuity Fund during April, 2019 to March, 2020.					
(xii)	Amounts for the current period are as follows :	31.03.2019 Rs.	31.03.2018 Rs.	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2015 Rs.
	Gratuity					
	Defined Benefit Obligation	279,158	241,943	423,063	246367	199,808
	Plan Assets	4,714	4,393	109,649	101584	93,206
	Surplus / (Deficit)	(274,444)	(237,550)	(313,414)	(144783)	(106,602)
	Experience adjustments on plan liabilities	8,890	(24,339)	(107,728)	(18896)	(214)
	Experience adjustments on plan assets	19	7,387	1,197	1,855	4,770



Notes to the financial statements as at and for the year ended 31st March, 2019

25 Related Party in terms of Accounting Standard 18 and as per the Companies Act, 2013 are given below:

Name of the related parties and description of their relationship

i) Related parties where control exists

a) Holding Company

Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)

b) Subsidiary Company

Microsec Wealth Management Limited

ii) Other related parties

a) Fellow Subsidiary Companies

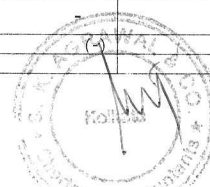
Sastasundar Health Buddy Limited (Formerly Microsec Health Buddy Limited)

Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)

MyJoy Technologies Private Limited

Related Party Transactions

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary Companies / LLP	Total
Loan Received				
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)	1,38,00,000 (12,00,00,000)	- (-)	- (-)	1,38,00,000 (12,00,00,000)
Loan Repaid (including accrued interest)				
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)	5,13,65,370 (8,50,00,000)	- (-)	- (-)	5,13,65,370 (8,50,00,000)
Loan Given				
MyJoy Technologies Private Limited	- (-)	- (-)	31,75,000 (-)	31,75,000 -
Innogrow Technologies Limited (Formerly Microsec Technologies Limited)	- (-)	- (-)	- (16,00,000)	- (16,00,000)
Sastasundar Health Buddy Limited (Formerly Microsec Health Buddy Limited)	- (-)	- (-)	1,40,00,000 (-)	1,40,00,000 -
Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)	- (-)	- (-)	- (60,00,000)	- (60,00,000)
Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)	- (-)	- (-)	- (47,00,000)	- (47,00,000)
Loan Refunded				
Innogrow Technologies Limited (Formerly Microsec Technologies Limited)	- (-)	- (-)	- (16,00,000)	- (16,00,000)
Sastasundar Health Buddy Limited (Formerly Microsec Health Buddy Limited)	- (-)	- (-)	1,40,00,000 (-)	1,40,00,000 -
Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)	- (-)	- (-)	- (60,00,000)	- (-)
Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)	- (-)	- (-)	- (47,00,000)	- (47,00,000)
Investment in Unquoted Equity Shares				
Microsec Wealth Management Limited	- (-)	- (6,00,00,000)	- (-)	- (6,00,00,000)
Interest Expense				
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)	5,57,951 (28,50,411)	- (-)	- (-)	5,57,951 (28,50,411)
Interest Income				
MyJoy Technologies Private Limited	- (-)	- (-)	1,07,612 (-)	1,07,612 -
Innogrow Technologies Limited (Formerly Microsec Technologies Limited)	- (-)	- (-)	- (6,707)	- (6,707)
Sastasundar Health Buddy Limited (Formerly Microsec Health Buddy Limited)	- (-)	- (-)	2,90,852 (-)	2,90,852 -
Sastasundar Marketplace Limited (Formerly Sasta Sundar Shop Private Limited)	- (-)	- (-)	- (19,068)	- (-)



Notes to the financial statements as at and for the year ended 31st March, 2019

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary Companies / LLP	Total
Retailer Shakti Supply Chain Private Limited (Formerly Brandbuddy Engage Analytics Private Limited)	- (-)	- (-)	- (1,05,896)	- (1,05,896)
Demat Charges				
Microsec Capital Limited	- (-)	- (-)	- (40,594)	- (40,594)
Contribution towards Gratuity Fund				
Microsec Invictus Advisors LLP	- (-)	- (-)	- (1,37,535)	- (-)
Balance Receivables (including accrued interest)				
MyJoy Technologies Private Limited	- (-)	- (-)	32,71,851 (-)	32,71,851 (-)
Balance Payable (including accrued interest)				
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)	- (3,75,65,370)	- (-)	- (-)	- (-)
Amortised discount on Deep Discount Debentures				
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)	2,45,89,583 (2,16,45,011)	- (-)	- (-)	2,45,89,583 (2,16,45,011)
Deep Discount Debentures				
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited)	21,24,73,496 (18,78,83,913)	- (-)	- (-)	21,24,73,496 (18,78,83,913)

26 Previous year's figures including those in brackets have been regrouped and / or reclassified to confirm to this year's classification.

As per our report of even date

For S.K.Agrawal & Co.
Firm Registration No: 306033E
Chartered Accountants

Mamta Jain

Mamta Jain
Partner
Membership No. 061299

For and on behalf of the Board of Directors

B.L. Mittal

Banwari Lal Mittal
Director
DIN : 00365809

R.K. Sharma

Ravi Kant Sharma
Director
DIN : 00364066

Place : Kolkata
Date: 17th May, 2019

