

M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To,
The Members of **BOB CAPITAL MARKETS LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BOB Capital Markets Limited** ("the Company"), which comprise of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

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 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, 2019, the 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.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.



Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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 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 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 statements 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.

The Board of Directors is 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 judgment and maintain professional skepticism 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



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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 Act, 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.

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.

Report on Other Legal and Regulatory Requirements

1. 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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



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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 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 books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.
- 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 the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 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, please 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) Rules, 2014 as amended, 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 read with note No. 31 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

For M L BHUWANIA AND CO LLP

Chartered Accountants

FRN: 101484W / W100197


Ashishkumar Bairagra

Partner

Membership No. 109931

Place: Mumbai

Date: May 04, 2019

F- 11, 3rd Floor, Manek Mahal,
90, Veer Nariman Road, Churchgate,
Mumbai - 400 020, India.



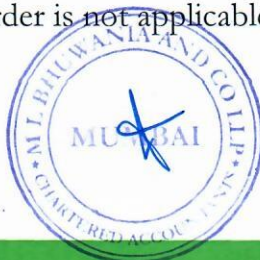
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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of **BOB CAPITAL MARKETS LIMITED** for the year ended March 31, 2019.

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies were noticed between the book records and the physical verification.
- (c) The Company does not have any immovable properties. Accordingly, clause 3 (i) (c) of the Order is not applicable to the Company.
- (ii) The Company's does not have inventories. Consequently, clause 3(ii) of the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) of the Order are not applicable to the Company.
- (iv) The Company has complied with provisions of Section 186 of the Act in respect of investments made during the year. Section 185 of the Act is not applicable as there were no loans given, securities and guarantees provided during the year covered by Section 185 of the Act.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records for the company under sub section (1) of Section 148 of the Act. Accordingly, clause 3 (vi) of the Order is not applicable to the Company.



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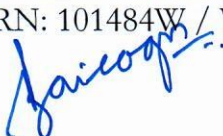
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Cess, Goods and Services Tax (GST) and other statutory dues applicable to it except Labour Welfare Fund dues outstanding to the extent of Rs. 11,010. Further no undisputed amounts were outstanding as on March, 31 2019 for a period of more than six months from the date they became payable except Labour Welfare Fund dues amounting to Rs. 5,529.
- (b) According to the records of the Company, there are no dues of Income Tax, Excise Duty, Custom Duty, Value Added Tax, Service Tax, Cess and Goods and Service Tax (GST) which have not been deposited on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loan or borrowing from government and financial institutions and has not issued debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that 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 is a Government Company and hence the provisions of Section 197 of the Companies Act, 2013 is not applicable vide MCA notification no. GSR 463 (E) dated June 05, 2015. The Company has complied with the provision of Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



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- (xiv) In our opinion and according to the information and explanations given 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. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and 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 directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W / W100197


Ashishkumar Bairagra
Partner
Membership No. 109931

Place: Mumbai
Date: May 04, 2019

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ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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 **BOB CAPITAL MARKETS LIMITED** ("the Company") as of March 31, 2019 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

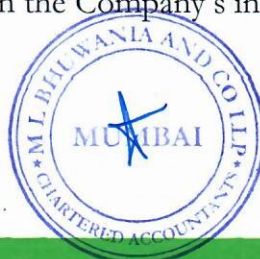
The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 judgment, 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.



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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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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, 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 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 M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W / W100197

Ashishkumar Bairagra
Partner
Membership No. 109931

Place: Mumbai
Date: May 04, 2019

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CHARTERED ACCOUNTANTS

**REPORT ON DIRECTIONS UNDER SECTION 143(5) OF COMPANIES
ACT, 2013 FOR THE YEAR 2018-19 OF BOB CAPITAL MARKETS LIMITED**

- I. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

As per the information and explanation provided to us and based on our review, the company has systems in place to process all the accounting transactions through IT systems and there are no accounting transaction processed outside IT systems.

- II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

As per the information and explanation provided to us there is no restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.

- III. Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

As per the information provided to us no such funds have been received during the year for any specific scheme.

For M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W/100197W

Ashishkumar Bairagra

Ashishkumar Bairagra
Partner
Membership No. 109931

Place: Mumbai
Date: May 04, 2019

F- 11, 3rd Floor, Manek Mahal,
90, Veer Nariman Road, Churchgate,
Mumbai - 400 020, India.



BOB Capital Markets Limited


BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
		(Amount in Rs.)	(Amount in Rs.)
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	3	1,000,000,000	1,000,000,000
(b) Reserves and Surplus	4	537,783,904	566,961,081
Current Liabilities			
(a) Trade Payables	5	15,242,873	23,197,943
(b) Other Current Liabilities	6	25,607,355	17,024,454
(c) Short-Term Provisions	7	739,539	6,141,354
TOTAL		1,579,373,671	1,613,324,832
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment			
(i) Tangible assets	8	8,380,962	10,944,277
(ii) Intangible assets	8	3,606,111	8,959,190
(b) Non Current Investments	9	129,678,552	115,058,000
(c) Deferred tax assets	10	19,849,080	9,170,540
(d) Long-term loans and advances	11	545,301,495	264,083,011
(e) Other non-current assets	12	-	4,813,851
Current Assets			
(a) Trade receivables	13	19,373,820	26,681,582
(b) Cash and Cash Equivalents	14	763,420,025	1,107,523,453
(c) Short-term loans and advances	15	4,776,117	6,601,475
(d) Other Current assets	16	84,987,508	59,489,454
TOTAL		1,579,373,671	1,613,324,832
Contingent Liabilities and commitments	17		

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS 1 to 33

The notes referred above form an integral part of the Balance Sheet.

As per our report attached of even date.
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
FRN: 101484W / W100197


ASHISHKUMAR BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

PLACE : MUMBAI
 DATE: MAY 04, 2019

F- 11, 3rd Floor, Manek Mahal,
90, Veer Nariman Road, Churchgate,
Mumbai - 400 020, India.



FOR AND ON BEHALF OF THE BOARD


P. S. Jayakumar
 Chairman


Pooja Sengupta
 Director


Ratnesh Kumar
 Managing Director and
 Chief Executive Officer


Rajeshree Sabnays
 Independent Director


Arvind Mahajan
 Independent Director


Virendra Somwanshi
 Whole Time Director


Pramod Y. Keni
 Company Secretary


Punita Sotta
 Chief Financial Officer



BOB Capital Markets Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Note No.	Year ended March 31, 2019 (Amount in Rs.)	Year ended March 31, 2018 (Amount in Rs.)
Revenue from operations	18	176,721,352	142,947,983
Other Income	19	119,451,610	86,419,080
Total Revenue		296,172,962	229,367,062
Expenses:			
(a) Employee benefits expense	20	228,864,867	171,049,470
(b) Depreciation & amortization expenses	8	13,955,355	10,267,950
(c) Finance Costs	21	51,353	-
(d) Other expenses	22	93,157,105	79,611,177
Total Expenses		336,028,679	260,928,597
Loss before exceptional items & tax		(39,855,718)	(31,561,535)
Exceptional Items		-	-
Loss before tax		(39,855,718)	(31,561,535)
Tax expenses:			
(1) Deferred tax		(10,678,540)	(8,902,326)
		(10,678,540)	(8,902,326)
Loss for the period		(29,177,178)	(22,659,208)
Earnings per equity share:	23		
(a) Basic		(2.92)	(2.27)
(b) Diluted		(2.92)	(2.27)

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS 1 to 33

The notes referred above form an integral part of the Statement of Profit and Loss.

As per our report attached of even date.

FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
FRN: 101484W / W100197



ASHISHKUMAR BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

PLACE : MUMBAI
DATE: MAY 04, 2019

F- 11, 3rd Floor, Manek Mahal,
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Mumbai - 400 020, India.



FOR AND ON BEHALF OF THE BOARD



P. S. Jayakumar
Chairman



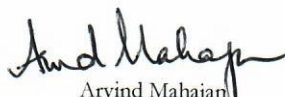
Papiya Sengupta
Director



Ratnesh Kumar
Managing Director and
Chief Executive Officer



Rajeshree Sabnis
Independent Director



Arvind Mahajan
Independent Director



Virendra Somwanshi
Whole Time Director



Pramod Y. Keni
Company Secretary



Punita Sotta
Chief Financial Officer



BOB Capital Markets Limited

Cash Flow Statement for the year ended 31st March, 2019

Year ended 31st March, 2019

(Amount in Rs.)
Year ended 31st March, 2018

A	Cash Flow from operating activities			
	Net Profit before tax		(39,855,718)	(31,561,535)
	Adjustments for:			
	Interest Income	(85,163,897)		(86,419,080)
	Depreciation & Amortisations	13,955,355		10,267,950
	Provision no longer required, written back	(5,120,640)		-
	Loss / (gain) on sale of Investments	(23,326,457)		-
	Loss / (gain) on sale of fixed assets	(77,325)		19,090
			(99,732,965)	(76,132,040)
	Operating Profit before working capital changes		(139,588,682)	(107,693,575)
	Adjustments for (increase) / decrease in operating assets:			
	Trade receivables	7,307,762		(24,527,223)
	Short-term loans and advances	2,011,763		18,396,596
	Long-term loans and advances	(259,566,102)		(152,583,011)
	Other current assets	(25,498,054)		4,167,036
	Other non-current assets	4,813,851		(2,586,351)
			(270,930,780)	(157,132,953)
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade Payables	5,737,152		19,369,908
	Short-term provisions	(5,401,815)		3,342,604
			335,337	22,712,512
	Cash Generated From Operations		(410,184,125)	(242,114,017)
	Less : Income Taxes Paid		(21,838,788)	(5,200,000)
	Net Cash Inflow / (Outflow) in Operating activities (A)		(432,022,914)	(247,314,017)
B	Cash Flow from Investing activities			
	Purchase of Investments	(14,620,552)		-
	Sale of investments	23,326,457		-
	Interest Received	85,163,897		86,419,080
	Sale/disposal of Fixed Assets	497,295		523,231
	Acquisition of Fixed Assets	(6,447,612)		(17,034,490)
	Net Cash Inflow / (Outflow) in Investing activities (B)		87,919,486	69,907,820
C	Cash Flow from Financing Activities			
	Less : Dividend paid (Including Dividend Tax)			42,125,176
	Net Cash Inflow / (Outflow) in Financing activities (C)			(42,125,176)
	Net Increase / (Decrease) in cash/cash equivalents (A+B+C)		(344,103,428)	(219,531,373)
	Add : Balance at the beginning of the year		1,107,523,453	1,327,054,826
	Cash / Cash Equivalent at the close of the year		763,420,025	1,107,523,453

Notes:

(1) Cash and Cash Equivalents includes: (Refer Note No 14)

Cash in Hand	7,131	3,577
Balances with Banks in:		
Current Accounts	93,027,918	49,079,598
In Bank Fixed Deposits Account less than 12 Months for maturity	513,384,976	610,944,908
Short Term Balances with Financial Institutions	157,000,000	200,000,000
Balance with Mutual Funds in Liquid Fund	-	247,495,370
	763,420,025	1,107,523,453

As per our report attached of even date.
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
FRN: 101484W / W100197

Bairag
ABHISHKUMAR BAIRAGA
PARTNER
MEMBERSHIP NO.109931

PLACE : MUMBAI
DATE: MAY 04, 2019

F- 11, 3rd Floor, Manek Mahal,
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FOR AND ON BEHALF OF THE BOARD

P. S. Jayakumar
P. S. Jayakumar
Chairman

Rajesh Sabnavis
Rajesh Sabnavis
Independent Director

Capra Sengupta
Capra Sengupta
Director

Arvind Mahajan
Arvind Mahajan
Independent Director

Pramod K. Keni
Pramod K. Keni
Company Secretary

Ratnesh Kumar
Ratnesh Kumar
Managing Director and
Chief Executive Officer

Virendra Somwanshi
Virendra Somwanshi
Whole Time Director

Punita Sotta
Punita Sotta
Chief Financial Officer



BOB Capital Markets Limited

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1 Background

BOB Capital Markets Limited (CIN : U65999MH1996GOI098009) is incorporated in India under the Companies Act, 1956 as a public limited company with the Registrar of Companies, Maharashtra in Mumbai on March 11, 1996. The Company is a wholly-owned subsidiary of Bank of Baroda.

The main activities of the Company are relating to -

- (a) Investment Banking - Equity Capital Market Fund Raising Services, i.e. IPO, FPO, Rights Issue, QIP, IPP, etc; Private Equity Syndication;— Capital Market as well as Banks/FIs; SEBI related Advisory Services, i.e. Buyback, Delisting, Open Offer, etc; other Advisory Services, i.e., Financial Appraisals, Techno-Economic Viability Studies, Distress Debt Resolution, Debt Syndication, Valuation, etc.
- (b) Institutional Stock Broking
- (c) Retail Stock Broking
- (d) Wealth Management

The Company has its presence only in Mumbai, in which city its Registered and Corporate Offices are located.

2 Significant Accounting Policies

(A) Basis Of Preparation Of Financial Statement

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with the generally accepted accounting principles and in compliance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 and other requirements of the Companies Act, 2013 and are in conformity with the statutory provisions, circulars and guidelines issued by various Regulatory Authorities.

(B) Use Of Estimates

The preparation of financial statements requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, brokerage income from Mutual Funds etc. Actual results could differ from these estimates.

(C) Cash And Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and term/fixed deposits investments with banks.



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(D) Revenue Recognition

Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exists a reasonable certainty of its recovery.

- (i) Income from Investment Banking comprises of revenue from different activities of the organization and includes revenue from Valuation Services, Vetting, Project Appraisal, Debt and Equity Issue Management, Investment Banking Services, Techno-Economic Viability studies, and Lead Arranger Services, debt syndication, debt restructuring and related areas.

The revenue in these cases is recognized on the basis of accrual as and when the amount becomes due on the completion of various stages of the assignment as per the terms and conditions of the Memorandum of Understanding entered into between the Company and the client and after assessing the certainty of its recovery.

- (ii) Income from Broking activities comprises brokerage received on trades executed on the exchanges. The brokerage, net of Stamp Duty, STT Charges, Exchanges Transaction Charges and applicable indirect tax (service tax / GST), is recognized on accrual basis but only after the amount becomes determinable on a reasonable basis.
- (iii) Wealth Management comprises income from advisory and research fees and income from mutual fund distribution. Income from mutual fund distribution comprises brokerage received on distribution of mutual funds and other investment products. The brokerage amount includes both Trail Commission and Upfront Commission. It is recognized on accrual basis but only after the amount becomes determinable on a reasonable basis.
- (iv) Income from Term Deposits being the interest received from Bank in respect of the investment of the surplus funds for a short-term period is recognized on accrual basis.
- (v) Income from Tax-free bonds being the interest received from the entity issuing such instruments in respect of the investment of the surplus funds for a long-term period is recognized on accrual basis.
- (vi) Income from Liquid Mutual Fund is recognized in the period in which the investment is redeemed and realized.

(E) Property, Plant & Equipment and Depreciation / Amortisation

- (i) Fixed assets taken over from the holding organization (Bank of Baroda) are recorded at its historical cost less accumulated depreciation/ capitalized as on the date of assets take over and other fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation.
- (ii) Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.



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- (iii) Depreciation on fixed asset other than software is provided using the written down value method (WDV) at the rates prescribed in schedule II to the Companies Act, 2013. Depreciation for additions to/deduction from the owned assets is calculated as per the above methodology but on pro rata basis from the month of additions/deductions.
- (iv) Amortization of computer software purchased by the Company is provided on straight-line basis and amortised over a period of 3 years by treating the life of assets as 3 years. (@33.33% per annum).
- (v) Depreciation on Improvement of Assets on Leased Property is provided at the rate of 20% p.a. straight line method which will be written off in a span of 5 years.

(F) Foreign Currency Transaction

- (i) In respect of foreign exchange transaction, the transaction in foreign currency is recorded in rupees by applying the exchange rate prevailing at the time of the transaction. Amount short or excess realised/incurred is transferred to Statement of Profit and Loss.
- (ii) All foreign currency liabilities / assets not covered by forward contracts, are restated at the rates prevailing at the year end and any exchange differences are debited / credited to the Statement of Profit & Loss .

(G) Investments

The Company classifies its investments in accordance with Accounting Standard 13 on 'Accounting for Investment'. Long term investments are carried at cost, after providing for diminution in value, if such diminution is of other than temporary nature. Current investments are carried at lower of cost or market value. The determination of such investments is done on the basis of specific identification.

(H) Employee Benefit

Short Term Employee Benefits

All employee benefits payable wholly within one year of rendering services are classified as short-term employee benefits. Benefits such as salaries, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

Post-Employment/Retirement Benefits:

The Company provides retirement benefits in the form of Provident Fund and Gratuity. The Company is following the Defined Contribution Plan as mentioned in Accounting Standard 15 on 'Employee Benefits' which requires the payment of a defined sum every month in the prescribed scheme. The contribution paid under the scheme is recognized during the period in which the employee renders the related service.

Gratuity contribution made under the employee Group Gratuity cum Life Insurance Scheme of LIC is charged to revenue.

Contribution to recognized provident fund is charged to revenue.



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(I) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale as per Accounting Standard 16 "Borrowing Cost". All other borrowing costs are charged to revenue.

(J) Leases

- (i) Lease rentals in respect of assets acquired under operating leases are charged off to the Statement of Profit and Loss. Lease rentals in respect of assets given under operating leases are credited to the Statement of Profit & Loss.
- (ii) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.
- (iii) Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc., are recognised immediately in the statement of profit and loss.

(K) Earnings Per Share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares except where the results would be anti-dilutive. The numbers of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential equity shares. Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares except where the results would be anti-dilutive.

(L) Provision for Current and Deferred Tax

- (i) Provision for current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between the taxable income and the accounting income that originate in one year and are capable of being reversed in one or more subsequent years.
- (iii) The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.



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(M) Impairment of Assets

As at each Balance Sheet date, the carrying amount of assets is reviewed for impairment so as to determine:

- (i) the provision for impairment loss required, if any, or
- (ii) the reversal required of impairment loss recognized in previous years, if any.

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable amount.

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

Recoverable amount is determined:

in the case of an individual asset, at higher of the net selling price and the value in use;

in the case of a cash generating unit (a group of assets that generate identifiable, independent cash flows), at higher of the cash generating unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

The amount so recognized as an impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

(N) Provision & Contingent Liability

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(O) Operation Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.



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BOB Capital Markets Limited

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

3 Share Capital

(Amount in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
Authorized Share Capital		
10,000,000 Equity Shares of Rs. 100/- par value (Previous Year 10,000,000 Equity Shares of Rs. 100/- par value)	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
Issued, Subscribed and Fully Paid Up Shares		
10,000,000 Equity Shares of Rs. 100/- par value (Previous Year 10,000,000 Equity Shares of Rs. 100/- par value)	1,000,000,000	1,000,000,000
Total Issued, Subscribed and Fully Paid Up Share Capital	1,000,000,000	1,000,000,000

Note No. 3.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2019 :

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	10,000,000	1,000,000,000	10,000,000	1,000,000,000
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
Number of shares at the end	10,000,000	1,000,000,000	10,000,000	1,000,000,000

Note No 3.2: Terms/rights attached to equity shares

(a) The Company has only one class of shares referred to as equity shares having a par value of Rs. 100/- each. Each holder of equity share is entitled to one vote per share.

(b) In the event of liquidation of the company, the holders of equity shares will be entitled to a portion of 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.

Note No 3.3: The details of shareholders holding more than 5% shares in the company:

Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity shares with voting rights	
	As at 31.03.2019	As at 31.03.2018
Number of shares	10,000,000	10,000,000
Bank of Baroda, the holding company	9,999,850	9,999,850
Bank of Baroda, the ultimate holding company	9,999,850	9,999,850
Subsidiaries of the holding company	Nil	Nil
Nominees of the holding company	150	150
Subsidiaries of the ultimate holding company	Nil	Nil
Nominees of the ultimate holding company	150	150



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BOB Capital Markets Limited
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31.03.2019	As at 31.03.2018
Equity shares with voting rights		
Bank of Baroda		
Number of shares held	9,999,850	9,999,850
% holding in that class of shares	99.9985	99.9985

Note No 3.4: The Board of Directors have declared a dividend of Re. Nil (Previous Year Rs. 1.50) per share for the financial year ended 31st March, 2019 as Interim Dividend.

4 Reserve & Surplus

Particulars	As at 31.03.2019		As at 31.03.2018
General Reserve		41,626,970	41,626,970
Surplus - Opening balance	525,334,111		590,118,496
Add: Net profit after tax transferred from statement of profit & loss	(29,177,178)	496,156,934	(22,659,208)
Amount available for appropriation		496,156,934	567,459,288
<u>Less : Appropriations</u>			
Interim Dividend		-	15,000,000
Final Dividend		-	20,000,000
Dividend Tax on above		-	7,125,177
Surplus Closing Balance		496,156,934	525,334,111
		537,783,904	566,961,081

5 TRADE PAYABLES

Particulars	As at 31.03.2019		As at 31.03.2018
Sundry Creditors For Expenses (Refer Note No. 5.1)		15,242,873	23,197,943
		15,242,873	23,197,943

Note No. 5.1 :

The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given.



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BOB Capital Markets Limited
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

6 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2019	As at 31.03.2018
Advances from customers	10,745,056	5,014,477
Other Liabilities		
Statutory dues	9,162,359	5,802,646
Security deposits	591,342	2,991,342
PC Span Margin	2,668,658	2,191,436
Others Payable	2,439,939	1,024,552
	25,607,355	17,024,454

7 Short-Term Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits:		
- Leave Encashment (Refer Note No. 29)	739,539	6,141,354
	739,539	6,141,354



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BOB Capital Markets Limited

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

9 NON CURRENT INVESTMENT

(Amounts in Rs.)

Particulars	Face Value	Qty	As at 31.03.19	Qty	As at 31.03.18
Non Trade Investments (at cost)					
<u>Quoted</u>					
<u>In Tax Free Bonds</u>					
8.16% India Infrastructure Finance Company Ltd.	1,000	50,000	50,000,000	50,000	50,000,000
8.19% Rural Electrification Corporation Ltd.	1,000	50,000	50,000,000	50,000	50,000,000
7.04% Housing & Urban Development Corp. Ltd	1,000	15,058	15,058,000	15,058	15,058,000
Total Value of Quoted Investments (Refer Note No 9.1)			115,058,000		115,058,000
<u>Unquoted</u>					
<u>Equity Instruments</u>					
Capita World Platform Private Limited	10	112,996	14,620,552	-	-
Total of Non- Current Investments			129,678,552		115,058,000

Note No 9.1

Aggregate market value of Quoted Investments Rs. 12,57,40,436/-

10 DEFERRED TAX ASSETS

Particulars	As at 31.03.2019	As at 31.03.2018
On account of expenses allowable under Income tax on payment basis	192,280	726,823
On account of difference in depreciation as per books and Income-tax Act, 1961	2,029,864	316,809
On account of unabsorbed business losses (Refer Note No. 10.1)	17,626,936	8,126,908
	19,849,080	9,170,540

Note No. 10.1

The company has incurred losses in current year & in previous year. The company is reasonably certain about its future profitability and there will be sufficient future taxable income available to realize such losses, hence deferred tax asset has been created.

11 LONG TERM LOANS & ADVANCES

Particulars	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good, unless specified otherwise)		
Deposits with BSE/NSE/Others	498,195,900	238,695,900
<u>Other Loans and Advances</u>		
Advance recoverable in cash or kind for value to be received	66,102	-
Advance Tax & Tax Deducted at Source (Net of Provisions)	47,039,493	25,387,111
	545,301,495	264,083,011



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BOB Capital Markets Limited

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

12 OTHER NON-CURRENT ASSETS

Particulars	As at 31.03.2019	As at 31.03.2018
Interest accrued on Bank Fixed Deposits (maturity of more than 12 months)	-	4,813,851
	-	4,813,851

13 TRADE RECEIVABLES

Particulars	As at 31.03.2019	As at 31.03.2018
(Unsecured)		
Outstanding For a Period exceeding Six Months from the date they are due for payment		
Considered Good (Refer Note No. 32)	395,247	19,271,075
Considered Doubtful	-	-
	395,247	19,271,075
Others		
Considered Good	18,978,573	7,410,508
	19,373,820	26,681,583

14 CASH & CASH EQUIVALENTS

Particulars	As at 31.03.2019	As at 31.03.2018
Cash & Cash Equivalents		
Cash on Hand	7,131	3,577
Balance with Banks		
In current accounts (Refer Note No. 14.1)	93,027,918	49,079,598
Other Bank Balances		
- In Bank Fixed Deposits Account less than 12 Months for maturity	513,384,976	-
Short Term Balances with Financial Institutions		
- HDFC Limited	157,000,000	200,000,000
Balance with Mutual Funds in Liquid Fund		
- Baroda Mutual Fund	-	247,495,370
	763,420,025	1,107,523,453

Note No. 14.1

Balance of Flexi Fixed Deposits of Rs. 4,137/- (Previous year: Nil) are under Lien with Banks.



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BOB Capital Markets Limited

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

15 SHORT TERM LOANS & ADVANCES

Particulars	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Good, unless specified otherwise)		
Other Loans & Advances		
Advance recoverable in cash or kind for value to be received	2,693,601	4,519,160
Balance with Central Excise	-	1,107,740
Loan and Advances to employees	134,901	122,327
Advance to suppliers and service providers	914,693	5,732
Advance Tax & Tax Deducted at Source (Net of Provisions)	1,032,922	846,516
	4,776,117	6,601,475

16 OTHER CURRENT ASSETS

Particulars	As at 31.03.2019	As at 31.03.2018
Advance to Gratuity Fund (Refer Note No. 16.1)	1,521,866	3,815,356
Interest Accrued	60,894,208	54,675,507
Brokerage Accrued	294,439	50,657
Others Receivable	22,276,996	947,934
	84,987,508	59,489,454

Note No. 16.1

The amount is net off Gratuity Liability of Rs. 38,51,849.

17 CONTINGENT LIABILITIES & COMMITMENTS

Particulars	As at 31.03.2019	As at 31.03.2018
Contingent Liability (Refer Note No. 31)	-	-
Commitments	-	-
	-	-



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BOB Capital Markets Limited

Notes forming part of the financial statements as at 31st March, 2019

Note 8 : Property, Plant & Equipment

(Amounts in Rs.)

A	Gross Block			Accumulated depreciation and impairment			Net Block	
	Balance as at 01.04.2018	Additions	Disposals/ Written-off	Balance as at 01.04.2018	Depreciation / amortisation expense for the year	Eliminated on disposal of assets during the year	Balance as at 31.03.2019	Balance as at 31.03.2018
(a) Furniture and Fixtures	112,250			66,181	11,928		78,109	46,069
(b) Vehicles	2,073,480			839,366	385,414		1,224,780	1,234,114
(c) Office equipment	3,113,383	961,500		466,024	1,463,979		1,930,003	2,647,359
(d) Computers	12,690,211	3,747,499	1,726,128	5,673,475	5,391,023	1,706,158	9,358,340	7,016,736
TOTAL TANGIBLE ASSETS	17,989,323	4,708,999	1,726,128	7,045,046	7,252,344	1,706,158	12,591,232	10,944,277
TOTAL PREVIOUS YEAR	12,353,408	13,469,035	7,833,120	10,520,652	3,815,193	7,290,799	7,045,046	10,944,277

B	Gross Block			Accumulated depreciation and impairment			Net Block	
	Balance as at 01.04.2018	Additions	Disposals/ Written-off	Balance as at 01.04.2018	Depreciation / amortisation expense for the year	Eliminated on disposal of assets during the year	Balance as at 31.03.2019	Balance as at 31.03.2018
Computer software Owned	26,094,227	1,738,613	400,000	17,135,037	6,703,011	11,320	23,826,728	8,959,190
TOTAL INTANGIBLE ASSETS	26,094,227	1,738,613	400,000	17,135,037	6,703,011	11,320	23,826,728	8,959,190
TOTAL PREVIOUS YEAR	26,298,969	3,565,455	3,770,197	14,452,477	6,452,757	3,770,197	17,135,037	8,959,190



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Notes forming part of the financial statements as at 31st March, 2019

C Depreciation and amortisation relating to continuing operations:	For the Year ended on 31.03.2019	For the Year ended on 31.03.2018
Depreciation and amortisation for the year on tangible assets as per Note 8A	7,252,344	3,815,193
Depreciation and amortisation for the year on intangible assets as per Note 8B	6,703,011	6,452,757
Depreciation and amortisation relating to continuing operations	13,955,355	10,267,950

Notes:

(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years: **NIL**

(ii) Details of assets acquired under hire purchase agreements: **NIL**

(iii) Details of assets jointly owned by the Company: **NIL**



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BOB Capital Markets Limited

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

18 REVENUE FROM OPERATIONS

Particulars	2018-2019	2017-2018
Sale of Services (Refer Note No 18.1)		
Professional Fees/ Advisory Fees	107,126,750	107,841,190
Other Operating Revenue		
Brokerage Income	54,248,307	26,750,121
Wealth Management Fees & Commission	15,346,295	8,356,671
	176,721,352	142,947,983

Note No. 18.1 : Sale of Services

Particulars	2018-2019	2017-2018
(i) Equity Advisory	11,735,500	21,868,294
(ii) Debt Advisory	95,391,250	85,972,896
	107,126,750	107,841,190

19 Other Income

Particulars	2018-2019	2017-2018
Interest Income (Refer Note No 19.1)	85,163,897	72,833,656
Net gain on sale of investments	23,326,457	8,495,370
Net gain on sale of Fixed Assets	77,325	-
Other Non Operating Income		
Provision no longer required, written back	5,120,640	-
Exchange Fluctuation Gain (Net)	567,267	-
Service Charges Received from Secondment	5,196,023	5,090,054
	119,451,610	86,419,080

Note No. 19.1 : Break-up of Interest Income

Interest from bank deposits	65,098,164	48,786,903
Interest on Deposits with Financial Institutions	10,279,460	14,093,034
Interest from Tax Free Bonds	9,240,423	9,235,083
Other Interest	545,851	718,636
	85,163,897	72,833,656

20 EMPLOYEE BENEFIT EXPENSES

Particulars	2018-2019	2017-2018
Salaries, Wages and Bonus	212,998,974	162,623,636
Contribution to Provident and other fund (Refer Note No. 20.1)	12,516,662	6,066,745
Staff Welfare Expenses	3,349,231	2,359,089
	228,864,867	171,049,470

Note No. 20.1: Includes Rs. 38,51,849 for earlier years relating to Gratuity Expenses (Previous Year: Rs. Nil)

21 FINANCE COST

Particulars	2018-2019	2017-2018
Interest Expense on Short Term Bank Borrowing	51,353	-
	51,353	-



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NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

22 OTHER EXPENSES

Particulars	2018-2019	2017-2018
Printing & Stationery	530,441	793,044
Communication Expenses	2,021,491	2,055,035
Rent	36,067,200	33,111,562
Rates & Taxes	551,603	888,573
Repairs & Maintenance - Others	6,837,239	6,992,183
Electricity Expenses	1,905,292	1,738,679
Directors' Sitting Fees	676,000	750,000
Insurance Charges	581,878	763,086
Travelling Expenses	4,716,244	2,634,485
Advertisement & Sales Promotion	2,585,108	843,582
Periodicals & Subscriptions	2,591,596	1,924,420
Legal & Professional fees	5,725,992	9,091,072
Connectivity, IT & Software charges	15,384,262	9,517,789
Bad Debts	-	829,769
Housekeeping & Security Expenses	7,217,171	1,847,980
Exchange Fluctuation Loss (Net)	-	3,614
Payment to Statutory Auditor (Refer Note No. 22.1)	135,000	100,000
Net loss on sale of Fixed Assets	-	19,090
CSR Expenditure	3,245,619	4,306,615
Miscellaneous Expenses (Refer Note No. 22.2)	2,384,968	1,400,600
	93,157,105	79,611,177

Note No. 22.1 : Payment to Statutory Auditor

As Auditor

Audit Fees	75,000	75,000
Tax Audit Fees	60,000	25,000
	135,000	100,000

Note No. 22.2:

Miscellaneous Expenses includes Rs 2,95,396/- (Previous Year - Rs. Nil) of Prior Period expenses relating to Connectivity, IT & Software charges.

23 EARNING PER SHARE

Particulars	2018-2019	2017-2018
(A) Profit attributable to Equity Shareholders (Rs.)	(29,177,178)	(22,659,208)
(B) No. of Equity Share outstanding during the year.	10,000,000	10,000,000
(C) Face Value of each Equity Share (Rs.)	100	100
(D) Basic & Diluted earning per Share (Rs.)	(2.92)	(2.27)



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24 RELATED PARTY DISCLOSURE:

The Company is a wholly owned subsidiary of Bank of Baroda which is a Central Government Controlled Enterprise. Consequently, the Company and other entities which are subsidiaries of Bank of Baroda will become Central Government controlled enterprises. Para 9 of Accounting Standard 18 issued by Institute of Chartered Accountants of India (ICAI) pertaining to 'Related Party Transactions' exempts the Company from disclosure of relationships and transactions with Central Government controlled enterprises. Therefore, transactions of the Company with Bank of Baroda (Holding Company) and its subsidiaries and other Central Government controlled enterprises are not separately disclosed.

Other Related Parties Disclosures are as under :

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS:

Key Management Personnel

(i) Mr. Ratnesh Kumar	Managing Director
(ii) Mr. Virendra Somwanshi	Whole Time Director (w.e.f. 20th April, 2017)
(iii) Mr. Pramod Keni	Company Secretary
(iv) Ms. Punita Sotta	Chief Financial Officer (w.e.f. 25th Sept, 2017)

(B) DETAILS OF TRANSACTION WITH RELATED PARTIES

Related parties	Nature of Transactions during the year	2018-19	2017-18
Mr. Ratnesh Kumar	Remuneration paid	14,000,000	14,000,000
	Brokerage income received	72	-
Mr. Virendra Somwanshi	Remuneration paid	9,040,000	8,396,763
	Contribution to Provident Fund	960,000	880,000
	Brokerage income received	186	389
Mr. Pramod Keni	Remuneration paid	1,366,848	1,307,520
	Contribution to Provident Fund	145,152	132,480
Ms. Punita Sotta	Remuneration paid	1,236,000	720,000

25 EARNING IN FOREIGN CURRENCY

Particulars	2018-19	2017-18
Professional Fees / Advisory Fees	6,745	19,912,590
	<u>6,745</u>	<u>19,912,590</u>

26 EXPENDITURE IN FOREIGN CURRENCY

Particulars	2018-19	2017-18
Bank Charges	100	-
Travelling Expenses	30,740	31,941
	<u>30,840</u>	<u>31,941</u>

27 SEGMENT REPORTING :

The Company has identified only one business segment i.e. Merchant Banking & Broking Services in the current financial year. Hence, the guidelines of Segment Reporting are not applicable.

28 ASSETS TAKEN ON LEASE:

The Company's major leasing arrangements are in respect of office premises (including furniture & fittings therein). The aggregate lease rentals of Rs 3,60,67,200 (Previous Year Rs. 3,31,11,562) are charged as Rent and shown under the Note No. 22 "Other Expenses".

29 EMPLOYEE BENEFITS :

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

Defined Contribution Plan

The Company's defined contribution plans includes Provident Fund. Contribution to Defined Contribution Plan, recognised as an expense for the year are as under :

Particulars	2018-19	2017-18
Contribution to Provident Fund	8,437,044	5,671,646

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Defined Benefit Plan

Gratuity which are defined benefits plan which are accrued based on actuarial valuation as at balance sheet date by an independent actuary. The Company has opted for a Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC) and Group Gratuity-cum-Life Assurance Scheme of the IndiaFirst and the contribution is charged to the Statement of Profit & Loss and the related disclosures are as under:

Group Gratuity Scheme		
Particulars	LIC	IndiaFirst
1.Assumptions	2018-19	2018-19
Discount Rate		
Salary Escalation	7.50%	7.35%
	5.00%	5.00%
2. Table Showing changes in present value of Obligation As on 31/03/2019		
Present value of obligations as at the beginning of year		
Interest cost	1,044,497	5,174,120
Current service cost	78,337	481,362
Benefits Paid	126,627	2,138,454
Actuarial (gain)/loss on obligations	(428,579)	(158,677)
Present value of obligations as at the end of year	478,228	(3,783,410)
	1,299,110	3,851,849
3. Table showing changes in the fair value of plan assets As on 31/03/2019		
Fair value of plan assets at the beginning of year		
Expected return on plan assets	1,258,780	1,474,217
Contributions	(69,708)	113,662
Benefits paid	533,079	3,815,356
Actuarial (gain)/ loss on plan assets	(428,579)	(158,677)
Fair value of plan assets at the end of year	-	134,693
	1,293,572	5,379,251
4. Table showing fair value of plan assets As on 31/03/2019		
Fair value of plan assets at the beginning of year		
Actual return on plan assets	1,258,780	1,474,217
Contributions	(69,708)	248,355
Benefits paid	533,079	3,815,356
Fair value of plan assets at the end of year	(428,579)	(158,677)
Funded status (Surplus / (Deficit))	1,293,572	5,379,251
Excess of actual over estimated return on plan assets	(5,538)	-
(Actual rate of return=Estimated rate of return as ARD falls on 31st March)	-	(1,527,402)
5. Actuarial Gain/Loss recognized as on 31/03/2019		
Actuarial (gain)/ loss on obligations		
Actuarial (gain)/ loss for the year - plan assets	(478,228)	(3,783,410)
Actuarial (gain)/ loss on obligations	-	134,693
Actuarial (gain)/ loss recognized in the year	(478,228)	(3,918,103)
	478,228	(3,918,103)
6. The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	1,299,110	3,851,849
Fair value of plan assets as at the end of the year	1,293,572	5,379,251
Funded status	(5,538)	(1,527,402)
Net asset/(liability) recognized in balance sheet	(5,538)	3,851,849
7. Expenses Recognised in statement of Profit and loss		
Current Service cost		
Interest Cost	126,627	2,138,454
Expected return on plan assets	78,337	481,362
Net Actuarial (gain)/ loss recognized in the year	(69,708)	(113,662)
Expenses recognised in statement of Profit and loss	478,228	(3,918,103)
	752,900	(1,411,949)

Short - term obligations

Liabilities for Salaries and leave salary that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as Short term provisions in the balance sheet.



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30 Remuneration to the Key Managerial Personnel:

Particulars	Mr. Ratnesh Kumar	Mr. Virendra Somwanshi	Mr. Pramod Keni	Ms. Punita Sotta	Mr. Ratnesh Kumar	Mr. Virendra Somwanshi (w.e.f. 20th April, 2017)	Mr. Pramod Keni	Ms. Punita Sotta (w.e.f. 25th Sept, 2017)
	2018-19				2017-18			
Salary	14,000,000	9,040,000	1,366,848	1,236,000	14,000,000	8,396,763	1,307,520	720,000
Contribution to PF	-	960,000	145,152	-	-	880,000	132,480	-
Total	14,000,000	10,000,000	1,512,000	1,236,000	14,000,000	9,276,763	1,440,000	720,000

The Company has incurred loss during the Financial Year 2018-2019. There is no commission payable to the Managing Director or other Directors of the company. Consequently, the computation of profits as required under section 198 of the Companies Act, 2013 does not apply. Further, the MCA Notification dated 5th June, 2015 read together with the MCA Notification dated 12th September, 2016 exempts Government companies from seeking a Central Government approval for professional directors / directors for managerial remuneration in case of inadequacy of profits. Relevant Board and Shareholder approvals for appointment of above-mentioned professional directors are in place.

31 M/s STCI – Standard Chartered Capital Markets Limited (joint merchant banker) filed a case against the Company in the year 2010 as well as the issuer company (SVPCL Limited) for indemnifying the damage of Rs.15,23,49,340/- claimed by SVPCL Limited. The above disputed matter is pending before the Hon'ble High Court, Mumbai. In the opinion of the management this is a frivolous litigation and there would not be any liability on the company and the case, in all probability, would be decided in the company's favour.

32 CURRENT ASSETS, LOANS & ADVANCES, CURRENT LIABILITIES AND PROVISIONS:

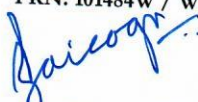
In the opinion of the Board of Directors, the Current Assets, Loans and Advances and Current Liabilities are approximately as per the value stated in the Balance Sheet which are realized or repaid in the ordinary course of business.

The management assesses the realizability and periodicity of receivables on a regular basis and provides for the amount considered as doubtful.

Trade Receivables, Trade Payables and Loans and Advances balances are subject to confirmation and consequential adjustment, if any.

33 The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current presentation.

As per our report attached of even date.
FOR M L BHUWANIA AND CO LLP
CHARTERED ACCOUNTANTS
 FRN: 101484W / W100197


 ASHISHKUMAR BAIRAGRA
 PARTNER
 MEMBERSHIP NO.109931

PLACE : MUMBAI
 DATE: MAY 4, 2019

F- 11, 3rd Floor, Manek Mahal,
 90, Veer Nariman Road, Churchgate,
 Mumbai - 400 020, India.



FOR AND ON BEHALF OF THE BOARD


 P. S. Jayakumar
 Chairman


 Pappu Sengupta
 Director


 Ratnesh Kumar
 Managing Director and
 Chief Executive Officer


 Rajesh Sabnis
 Independent Director


 Arvind Mahajan
 Independent Director


 Virendra Somwanshi
 Whole Time Director


 Pramod Y. Keni
 Company Secretary


 Punita Sotta
 Chief Financial Officer

