



**ADVENTZ SECURITIES ENTERPRISES  
LIMITED**

**ANNUAL REPORT**

**F.Y. – 2019-2020**

**ANNUAL REPORT AND ACCOUNTS  
2019-2020**

**BOARD OF DIRECTORS**

**Mr. Rewati Raman Goenka (Chairman & Independent)**  
**Mr. Akshay Poddar (Non Independent)**  
**Mrs. Puja Poddar (Non Independent)**  
**Mr. Gaurav Agarwala (Non Independent)**  
**Mr. Piyush Khaitan (Independent)**  
**Mr. Kunal Agarwala Independent)**  
**Mrs. Shradha Agarwala (w.e.f. 13.02.2020)**

**MANAGER &  
CHIEF FINANCIAL OFFICER (CFO)**

**Mr. Devendra Khemka**

**COMPANY SECRETARY**

**Ms. Punam Singh**

**BANKERS**

**HDFC Bank Limited**  
**Kotak Mahindra Bank Limited**

**AUDITORS**

**M/s. Chaturvedi & Company**  
**Chartered Accountants**  
**60, Bentinck Street,**  
**Kolkata - 700 069**

**REGISTERED OFFICE**

**Hongkong House**  
**31, B. B. D. Bagh (s)**  
**Kolkata – 700 001**

**REGISTRAR & SHARE  
TRANSFER AGENT**

**M/s. Zuari Finserv Limited**  
**Jai Kisan Bhawan**  
**Zuarinagar, Goa-403 726**

**CIN**

**L36993WB1995PLC069510**

**LISTED AT**

**Delhi Stock Exchange (de-recognized by SEBI)**  
**The Calcutta Stock Exchange Limited (CSE)**  
**Metropolitan Stock Exchange Of India Limited (MSEI)**

## **NOTICE TO THE SHAREHOLDER**

**NOTICE** is hereby given that the Thirty Sixth Annual General Meeting (AGM) of the members of **Adventz Securities Enterprises Limited** will be held on Wednesday, 25<sup>th</sup> November, 2020, at 11:00 a.m. at the Registered Office of the Company at “Hongkong House”, 31, B. B. D. Bagh(s), Kolkata – 700 001, to consider the following business:

### **Ordinary Business**

**1. To receive consider and adopt**

- a) The Standalone Audited Financial Statements of the Company for the year ended 31st March, 2020 including Audited Balance Sheet for the year ended 31st March, 2020, and the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- b) The Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2020, including Audited Consolidated Balance Sheet for the year ended 31st March, 2020, and the Consolidated Statement of Profit and Loss Account for the year ended on that date and the Report of the Auditors thereon.

**2. Re- Appointment of Director**

To appoint a Director in place of Guarav Agarwala (DIN: 00201469) who retires by rotation and being eligible offers himself for re-appointment.

### **Special Business**

**3. Regularisation of Additional Director, Mrs. Shradha Agarwala by appointing her as Non-Executive Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Ordinary Resolution(s):

“**RESOLVED THAT** pursuant to Section 149, 152, 160 and all other applicable provisions of the Companies Act (the Act), and the Companies (Appointment and Qualification of Directors) Rule, 2014, (including any statutory modification(s) or re-enactments thereof for the time being in force, Article of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of SEBI (listing Obligations and Disclosure Requirements), Regulation 2015 and any other applicable laws, Mrs. Shradha Agarwala (DIN: 01203800), who was appointed as an Additional Director with effect from 13th February, 2020 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 on the recommendation of the Nomination and Remuneration Committeeman who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received notice in writing from herself in person under Section 160 of the Companies Act, for the office of the Director, be and is hereby appointed as Non-Executive Non Independent Director of the Company whose period of office will liable to determination by retirement of directors by rotation.”

**“RESOLVED FURTHER THAT** any of the present Directors of the Company and/or Company Secretary of the Company be and are hereby authorized individually to sign and file necessary e-forms and other relevant papers, documents with Registrar of the Companies and other applicable Statutory authorities if any, and do all such acts, matters, things and deeds as may be necessary and expedient to give effect to the aforesaid resolution and to do any matters consequential thereto.”

**Registered Office:**

Hongkong House

31, B. B. D. Bagh(s)

Kolkata – 700 001

Phone: 033- 2248 8891

Fax: 033- 2243 7215

Email: [corp@poddarheritage.com](mailto:corp@poddarheritage.com)

Website: [www.poddarheritage.com](http://www.poddarheritage.com)

CIN: L36993WB1995PLC069510

By Order of the Board of Directors  
**For Adventz Securities Enterprises Limited**

Punam Singh

**Company Secretary**

ICSI Membership No: 38649

**Dated: 29<sup>th</sup> October, 2020**

**Place: Kolkata**

## **NOTES:**

### **1. PROXIES:**

*A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead on a poll and the proxy need not be a member of the company.*

*Proxies in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Any person holding more than 10% of the total Equity Share Capital of the Company may appoint a single person as proxy and in such case, the said person shall not act as proxy for any other person or member.*

*Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.*

*Members, Proxies and Authorised Representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate attendance slip or copies of the Report and Accounts will not be made available at the AGM venue.*

2. The ongoing crisis due to the unprecedented COVID-19 pandemic is one of the most disruptive events in the world history and had huge impact on every country, business and individual. In view of the ongoing pandemic the shareholders are requested to follow and use the detailed guidelines and safety procedures informed at venue of the Annual General Meeting along with personal protective equipment such as masks, gloves, etc. along with sanitization measures, social distancing and temperature checks. Our primary concern is the health and safety of our employees and shareholders.
3. Communication:

Electronic copy of the Notice of the Annual General Meeting (AGM) along with the Annual Report 2019-2020 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents / Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through permitted mode.

Members are requested to support Green initiative by registering/updating their e-mail addresses with the Depository participant (in case of shares in dematerialized form) or with Zuari Finserv Limited (in case of Shares held in physical form). Members may also note that the Notice of the 36<sup>th</sup> AGM and the Annual Report for FY 2019-20 will be available on the Company's website [www.poddarheritage.com](http://www.poddarheritage.com) for their download and also on the website of Central Depository Services (India) Limited viz. [www.evotingindia.com](http://www.evotingindia.com). For any communication, the shareholders may also send requests to the Company's investor email id: [corp@poddarheritage.com](mailto:corp@poddarheritage.com).

### **4. Route Map:**

A route map showing directions to reach the venue of the 36<sup>th</sup> AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings".

### **5. Registrar & Share Transfer Agents and Depository Participant:**

**M/s Zuari Finserv Limited** is the Registrar and Share Transfer Agent (RTA) of the Company. All investor related communication may be addressed to the following address:

|  |   |
|--|---|
| <p><b>Registered Office:</b><br/>M/s Zuari Finserv Limited<br/>Jai Kisaan Bhawan<br/>Zuarinagar,<br/>Goa – 403726<br/>Tel no.91-0832-2592509</p> | <p><b>Corporate Office:</b><br/>M/s Zuari Finserv Limited<br/>Corporate 1 First Floor 5,<br/>Commercial Centre<br/>Jasola, New Delhi - 110025<br/>Contact Personnel: Mr. Krishan Kant:<br/>Tel no.: 91-011-46581300, 91-011-41697900<br/>Fax no.91-011-40638679</p> |
|--|---|

Members holding Shares in physical mode are requested to intimate changes in their address to M/s Zuari Finserv Limited. Members holding Shares in electronic mode are Members are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

Members are further requested to intimate directly to the Company's Registrar and Share Transfer Agent

- a) changes, if any in their address at an early date
  - b) apply for consolidation of folios, if shareholdings are under multiple folios
  - c) quote ledger folio numbers in all their correspondence
  - d) send their share certificate(s) for consolidation
  - e) members holding shares in physical format and desirous of making/changing nomination in respect of their holding forms for making nominations as per section 72 of the Companies Act, 2013 in prescribed Forms SH-13 and SH-14.
  - f) to send their email address for forwarding all communication on mail as per green initiatives of Ministry of Corporate Affairs
6. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, 17<sup>th</sup> November, 2020, to Wednesday, 25<sup>th</sup> November, 2020.** (Both days inclusive).
7. Members holding shares in the physical format are advised to dematerialize their shares to avail easy liquidity and to prevent loss of physical certificates. Further pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository
7. PAN Submission:  
The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents/Company. (Form Enclosed)
8. Inspection by Members:  
All Statutory Registers and relevant documents referred to in the Notice and the Explanatory Statement, if any, shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.30 a.m. to 5.00 p.m. upto the date of the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

9. A brief resume of each of the director/directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, pertaining to Details of Directors seeking Appointment/ Reappointment at the Annual General Meeting is annexed herewith as Annexure 1 and will also be furnished in the report on Corporate Governance.
10. Members who wish to obtain further information on the Financial Statements for the year ended March 31, 2020, may send their queries at least seven days before the Annual General Meeting addressed to Company Secretary at the registered office of the Company or at Email ID: [corp@poddarheritage.com](mailto:corp@poddarheritage.com).

11. Voting through Electronic Means

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 36<sup>th</sup> AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or e-voting. If Members opt for e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again. Members are requested to follow the instruction below to cast their vote through e-voting.

The instructions for e-voting are as under. Members are requested to follow the instructions below to cast their vote through e-voting:

Commencement of remote e-voting : **Friday, 20<sup>th</sup> November, 2020 09.00 a.m.**  
End of remote e-voting : **Tuesday, 24<sup>th</sup> November, 2020, 5.00 p.m.**

During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on Monday, 16<sup>th</sup> November, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Scrutinizer: The Company has appointed Mr. Atul Kumar Labh., Practicing Company Secretary (FCS No. 4848/C.P. No. 3238), as Scrutinizer for conducting the electronic voting process (both remote e-voting and voting at the AGM through physical ballots) in a fair and transparent manner.

***Instruction and other information relating to e-voting are as under:***

- I. In case of Members receiving e-mail:
- (i) Log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab.
  - (iii) Now, select "Adventz Securities Enterprises Limited" from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) However, if you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field – excluding special character and space.<br/>(viz., if your name is Ramesh Kumar with sequence number 00000001 then enter RA00000001 in the PAN field. – Sequence Number is communicated in the Attendance Slip.)</li> </ul> |
| DOB   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details   | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br><ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter your DP ID Together with Client ID or Registered Folio number in the Dividend B</li> </ul>   |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For **Members** holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <**Adventz Securities Enterprises Limited**> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If a Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.



(xix) **Note to Non- Individual Shareholders/ Institutional shareholders**

- Non-Individual shareholders/Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp & sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members receiving the physical copy:**

(xx) (a) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.

(b) The remote e-voting period begins on, **Friday, 20<sup>th</sup> November, 2020 09.00 a.m. and ends on Tuesday, 24<sup>th</sup> November, 2020, 5.00 p.m.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form as on cut-off date 16<sup>th</sup> November, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(c) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- II. Institutional members/Body Corporates (i.e. other than individuals, HUF, NRI etc.) who are authorized to vote, are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) through e-mail at [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com)(Scrutinizer) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before 23<sup>rd</sup> November, 2020, without which the vote shall not be treated as valid.
- III. In case you have any queries or issues regarding e-voting, please contact the Company or Registrar & Share Transfer Agent or send mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [corp@poddarheritage.com](mailto:corp@poddarheritage.com).
- IV. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company.
- V. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 48 hours of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- VI. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.poddarheritage.com](http://www.poddarheritage.com) and on website of CDSL e-Voting [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to Delhi Stock Exchange (de-recognized by the SEBI), Calcutta Stock Exchange and the Metropolitan Stock Exchange of India Limited(MSEI), where the shares of the Company are listed.
- VII. A facility for voting through Ballot Paper is being made available at the Annual General Meeting of the Company and the Members attending the meeting who have not cast their vote by remote e-voting can exercise their right during the meeting on 25<sup>th</sup> November, 2020, between 11.00 a.m. till the conclusion of the meeting.

**Registered Office:**

Hongkong House  
31, B. B. D. Bagh(s)  
Kolkata – 700 001  
Phone: 033- 2248 8891  
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Email: [corp@poddarheritage.com](mailto:corp@poddarheritage.com)  
Website: [www.poddarheritage.com](http://www.poddarheritage.com)  
CIN: L36993WB1995PLC069510

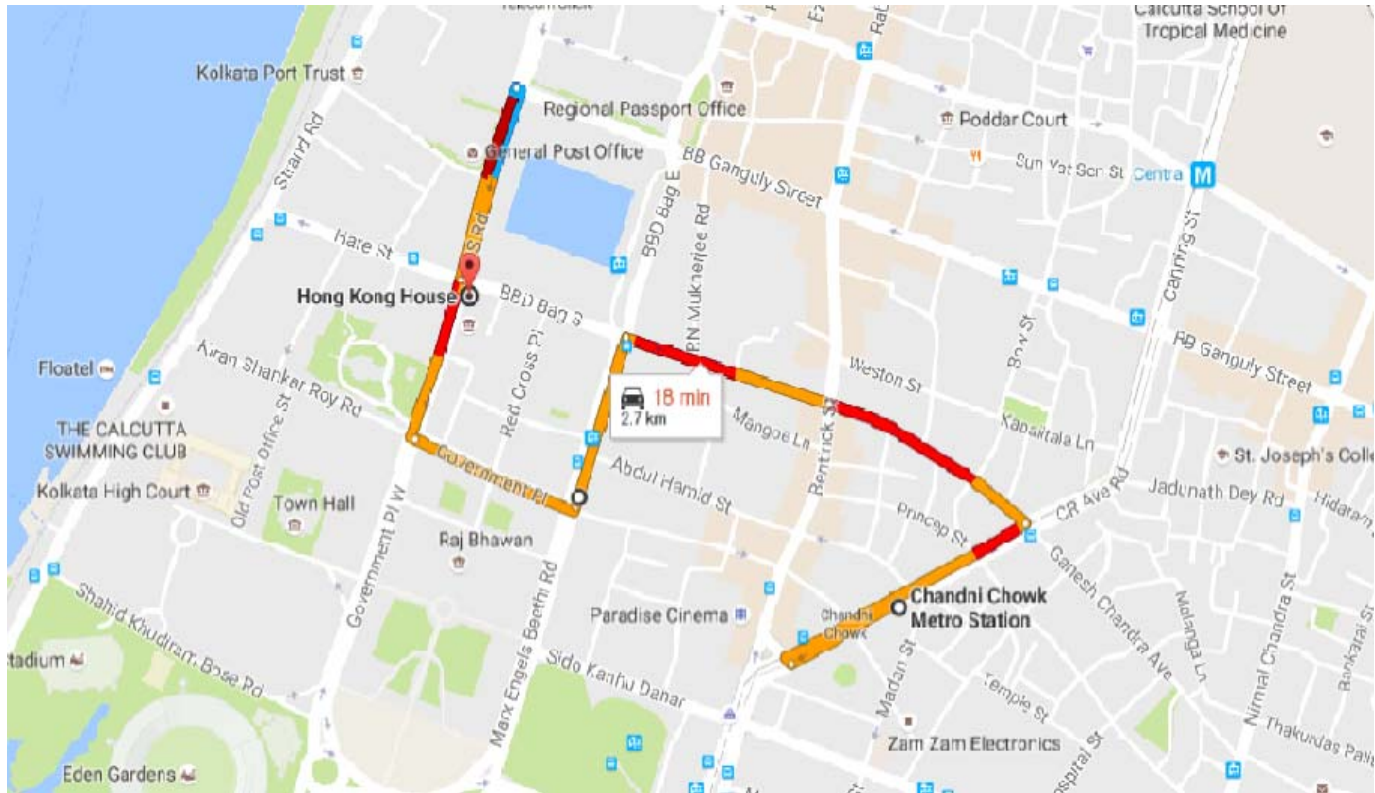
By Order of the Board of Directors  
**For Adventz Securities Enterprises Limited**

Punam Singh  
**Company Secretary**  
ICSI Membership No: 38649

**Dated: 29<sup>th</sup> October, 2020**

**Place: Kolkata**

## Route Map



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO. 3**

Mrs. Shradha Agarwala was appointed as an Additional Director of the Company with effect from 13th February, 2020, on the recommendation of the Nomination and Remuneration Committee in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing Annual General Meeting of the Company. The Company has received the requisite notice in writing under Section 160 of the Act along with a deposit of Rs. 100000 (Rupees One Lakh Only) from the candidate herself proposing her candidature to be appointed as Non-Executive Non Independent Director at the ensuing Annual General Meeting liable to retire by rotation.

Mrs. Shradha Agarwala is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given her consent to act as Director and has the requisite knowledge, experience and skill for the position of Director.

The Board on receipt of the notice and on the recommendation of its Nomination and Remuneration Committee and subject to the approval of the members in the ensuing Annual General Meeting is of the view that the appointment of Mrs. Shradha Agarwala as Non-Executive Non Independent Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 3 for approval by the members of the Company and has accorded its consent for her appointment. Mrs. Sharadha Agarwala will not be entitled for any remuneration for current designation except sitting fees for attending Board Meetings. The deposit of Rs. 100000/- is not required since as per proviso to Sec. 160(1) requirements of deposit of amount shall not apply in case of appointment of an independent director or a director recommended by the Nomination and Remuneration Committee.

Except Mr. Akshay Poddar, Mrs. Puja Poddar and Mr. Gaurav Agarwala none of the other Directors/Key Managerial Personnel of the Company/their relatives, except Non-Executive Non Independent Director herself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

**Registered Office:**

Hongkong House  
31, B. B. D. Bagh(s)  
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Phone: 033- 2248 8891

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Website: [www.poddarheritage.com](http://www.poddarheritage.com)

CIN: L36993WB1995PLC069510

**Dated: 29<sup>th</sup> October, 2020**

**Place: Kolkata**

By Order of the Board of Directors  
**For Adventz Securities Enterprises Limited**

Punam Singh  
**Company Secretary**  
ICSI Membership No: 38649

Pursuant to provisions of the Companies Act, 2013, Mr. Guarav Agarwala (DIN: 00201469) retires by rotation and is eligible for re-appointment.

As per Regulation 36 of the SEBI (LODR), Regulations, 2015, brief profile and information about the director is given below:

|   |   |  |
|---|---|--|
| <b>Name of the Director</b>   | Gaurav Agarwala   | Mrs. Shradha Agarwala  |
| <b>Category</b>   | Non - Executive Non - Independent   | Non - Executive Non - Independent  |
| <b>Age (in years)</b>   | 48  | 50   |
| <b>Date of Birth</b>  | 07.08.1972  | 04.08.1970   |
| <b>DIN</b>  | 00201469  | 01203800   |
| <b>Qualification</b>  | Graduate in Science & Business Administration from Boston University  | Graduation   |
| <b>Date of first Appointment on Board</b>   | 22-03-2002  | 13-02-2020   |
| <b>Expertise in specific functional areas</b>   | Managing large business set ups and More than 15+ years in Finance and General Business Administration  | General Business Management  |
| <b>Terms and conditions of appointment/re-appointment</b>                                   | Liabale to retire by rotation. No Remuneration is paid to Non-Executive Non-Independent Director.   | Liabale to retire by rotation. No Remuneration is paid to Non-Executive Non-Independent Director.  |
| <b>Details of remuneration sought to be paid</b>  | Not Applicable  | Not Applicable   |
| <b>Remuneration last drawn</b>  | Nil   | N.A.   |
| <b>Shareholding in the Company</b>  | Nil   | Nil  |
| <b>Relationship with other Directors/KMP</b>  | Shradha Agarwala (Wife)<br>Akshay Poddar (Brother-in-law)<br>Puja Poddar (Sister-in-law , wife of Akshay Poddar)  | Gaurav Agarwala (Husband)<br>Akshay Poddar (Brother)<br>Puja Poddar (Sister-in-law , wife of Akshay Poddar)  |
| <b>Directorship held in other Companies with Chairmanship/membership in committees</b>      | Animark Enterprises Private Limited<br>Marvel Enterprises Pvt. Ltd.<br>Surya Sandhya Enclave & Finvest Pvt. Ltd.<br>Satguru Vanijya Pvt. Ltd.<br>Sharacom Private Limited<br>Gama Hospitality Limited | Master Exchange & Finance Ltd<br>Premium Exchange & Finance Ltd<br>Duke Commerce Limited<br>Syndak Teatech Limited<br>Birla Constructions Limited<br>Ricon Commerce Limited<br>Marvel Enterprises Pvt Ltd<br>Animark Enterprises Pvt Ltd<br>Greenland Trading Pvt Ltd<br>Indrakshi Trading Company Pvt Ltd<br>Surya Sandhya Enclave & Finvest Pvt Ltd<br>Adventz Finance Pvt Ltd<br>Adventz Investment Co Pvt Ltd<br>Shracom Private Limited |
| <b>Chairman / Member of the Committee in which he is a Director apart from this Company</b> | NIL   | Master Exchange & Finance Ltd<br>• Audit Committee<br>• Nomination & Remuneration Committee.<br>Premium Exchange & Finance Ltd<br>• Audit Committee<br>• Nomination & Remuneration Committee.  |

Shares of the Company held by Mr. Gaurav Agarwala and Mrs. Shradha Agarwala himself/himself or for any other person on beneficial basis as on 31<sup>st</sup> March, 2020, is NIL.

**ADVENTZ SECURITIES ENTERPRISES LIMITED**

**CIN: L36993WB1995PLC069510**

**Registered Office: "HONGKONG HOUSE", 31 B.B.D. Bagh (S), Kolkata -700001, West Bengal**

**E-Mail ID: corp@poddarheritage.com**

**Website: www.poddarheritage.com**

**PROXY FORM**

**FORM No. MGT – 11**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **L36993WB1995PLC069510**

Name of Company : **ADVENTZ SECURITIES ENTERPRISES LIMITED**  
Registered Office : **"HONGKONG HOUSE", 31 B.B.D. Bagh (S), Kolkata - 700001, West Bengal**  
Name of the Member (s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Folio No./Client ID No. : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of above named company, hereby appoint:

(1) Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_, or  
failing him

(2) Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_, or  
failing him

(3) Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual General of the Company, to be held on the 25<sup>th</sup> November, 2020, Wednesday at 11.00 a.m.at the Registered Office of the Company at Hongkong House, 31, B.B.D. Bagh(s), Kolkata – 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below.

| Resolution No. | Resolution  | Type of Resolution | Vote (Optional :Please see Note 2) (Please mention no. of shares) |         |
|----------------|---|--------------------|---|---------|
|                |   |                    | For   | Against |
| 1              | a) Adoption of Standalone Financial Statements  | Ordinary           |   |         |
|                | b) Adoption of Consolidated Financial Statements  |                    |   |         |
| 2              | Appointment of Mr. Gaurav Agarwala as a director liable to retire by rotation   | Ordinary           |   |         |
| 3              | Regularisation of Additional Director, Mrs. Shradha Agarwala by appointing her as Non-Executive Director of the Company | Special            |   |         |

Signed this \_\_\_\_\_ day \_\_\_\_\_ of 2020

\_\_\_\_\_  
Signature of shareholder (s)

\_\_\_\_\_  
Signature of the Proxy holder (s)

Affix Revenue stamp of Re. 1

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting**
- It is optional to indicate your preference. If you leave 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner he/she may deem appropriate.**

**ADVENTZ SECURITIES ENTERPRISES LIMITED**

**CIN: L36993WB1995PLC069510**

**Registered Office: "HONGKONG HOUSE", 31 B.B.D. Bagh (S), Kolkata -700001, West Bengal**

**E-Mail ID: corp@poddarheritage.com**

**Website: www.poddarheritage.com**

**ATTENDANCE SLIP**

|   |  |
|---|--|
| Full Name of the member/Proxy attending the meeting |  |
| Member's Folio/DP ID/Client ID NO.                  |  |

I hereby record my presence at the THIRTY SIXTH ANNUAL GENERAL MEETING of the Company being held at the Registered Office of the Company at "HONGKONG HOUSE", 31 B.B.D. Bagh (S), Kolkata -700001, West Bengal on the 25<sup>th</sup> Day of November, 2020, Wednesday, at 11.00 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance, duly signed.
2. Shareholder/Proxy holder is requested to bring their copies of the Annual Report and Accounts with them to the Meeting.

**ADVENTZ SECURITIES ENTERPRISES LIMITED**

The Company is providing remote electronic voting (e-voting) facility for the Resolutions contained in the Notice convening the Annual General Meeting on 25<sup>th</sup> November, 2020. The procedure for e- voting has been mentioned in the aforesaid Notice. Your USER ID and Password for e- voting purposes are given below:

| <b>ELECTRONIC VOTING EVENT NUMBER (EVEN)</b> | <b>USER ID</b>                        | <b>PASSWORD</b>                   |
|--|---------------------------------------|-----------------------------------|
| <b>201020001</b>                             | <b>YOUR DP ID/CLIENT ID/FOLIO NO.</b> | <b>USE YOUR EXISTING PASSWORD</b> |

Dear Shareholders,  
29<sup>th</sup> October, 2020,

**Submission of PAN details**

We request you to submit details of your **Income Tax Permanent Number (PAN)** as in terms of directive of Securities and Exchange Board of India, submission of these details by every participant in the Securities / Capital Market has become mandatory.

**Kindly return the slip appended below, duly filled in and signed with self-attested copies of PAN cards of all holders including joint holders, to the Company or the RTA. If you are holding shares in electronic form, please furnish these details to your Depository Participant.**

In case you have already submitted the PAN details, kindly ignore this letter.

For ADVENTZ SECURITIES ENTERPRISES LIMITED

**Punam Singh**  
Company Secretary  
ACS: 38649

-----><-----

Name: \_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date : \_\_\_\_\_

To  
**Zuari Finserv Limited**  
Unit : Adventz Securities Enterprises Limited  
Corporate One, First Floor, 5 Commercial Centre,  
Jasola, New Delhi - 110025

Dear Sir,

**Unit : Adventz Securities Enterprises Limited**

I/We furnish below our folio details along with PAN and Bank Account details for updation and confirmation of doing the needful.  
**I/We are enclosing the self-attested copies of PAN Cards, original cancelled cheque leaf with name (if name is not printed, self-attested copy of the first page of the pass book of the bank) and address Proof viz., Aadhaar Card of all the shareholder(s), for the said purpose.**

|   |  |
|---|--|
| Folio No.   |  |
| Address of the 1st named shareholder as per the share certificate |  |
| Mobile No.  |  |
| E-Mail ID   |  |

**Bank Account Details : (for electronic credit of all future dividends)**

|   |               |  |  |  |                |  |  |  |                    |  |  |  |  |
|---|---------------|--|--|--|----------------|--|--|--|--------------------|--|--|--|--|
| Name of the Bank  |               |  |  |  |                |  |  |  |                    |  |  |  |  |
| Name of the Branch  |               |  |  |  |                |  |  |  |                    |  |  |  |  |
| Account Number (as appearing in your cheque book)   |               |  |  |  |                |  |  |  |                    |  |  |  |  |
| Account Type (Saving/Current/Cash Credit)   | <b>Saving</b> |  |  |  | <b>Current</b> |  |  |  | <b>Cash Credit</b> |  |  |  |  |
| ( Digit MICR Number (as appearing on the MICR cheque issued by the bank). Please enclose a photocopy of a cheque for verification |               |  |  |  |                |  |  |  |                    |  |  |  |  |
| Digit IFSC Code   |               |  |  |  |                |  |  |  |                    |  |  |  |  |

|                 | PAN | Name | Signature |
|-----------------|-----|------|-----------|
| First Holder :  |     |      |           |
| Joint Holder 1: |     |      |           |
| Joint Holder 2: |     |      |           |
|                 |     |      |           |

Date :  
Place :



# DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Sixth Annual Report along with the Audited Financial Standalone and Consolidated Statements of the Company for the financial year ended 31<sup>st</sup> March 2020.

## 1. FINANCIAL SUMMARY

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2020, compared with the previous financial year, on standalone and consolidated basis (as per Ind- AS), is summarized as below:

|  | In Lakhs                                |                  |                     |                  |
|--|---|------------------|---------------------|------------------|
|  | For the Financial Year Ended 31st March |                  |                     |                  |
|  | <u>Standalone</u>                       |                  | <u>Consolidated</u> |                  |
|  | <u>2019-2020</u>                        | <u>2018-2019</u> | <u>2019-2020</u>    | <u>2018-2019</u> |
| Income                                     | 3,834.49                                | 295.36           | 3,834.49            | 295.36           |
| Depreciation                               | 9.81                                    | 11.87            | 9.81                | 11.87            |
| Finance Cost                               | -                                       | 272.42           | -                   | 272.42           |
| Purchase of stock                          | -                                       | 1,148.57         | -                   | 1,148.57         |
| Other Expenses                             | 2,463.38                                | 222.20           | 2,463.38            | 222.20           |
| Profit/Losses Before Taxation              | 1,361.30                                | -1,359.70        | 1,361.30            | -1,359.70        |
| Less : Provision for taxation              |   |                  |                     |                  |
| Current Tax                                | -                                       | -                | -                   | -                |
| Deferred Tax                               | -58.90                                  | -                | -58.90              | -                |
| Profit after Taxation                      | 1,420.20                                | -1,359.70        | 1,420.20            | -1,359.70        |
| Add : Share of Profit in Associate Company | -                                       | -                | -7,138.48           | -1,787.43        |
| Balance b/f from Previous Year             | 696.97                                  | 2,056.26         | 27,377.61           | 30,524.33        |
| Income Tax Adjustments                     | 0.00                                    | 0.41             | 0.00                | 0.41             |
| <b>Less: Transfer to Reserve Fund</b>      | <b>300.00</b>                           | <b>-</b>         | <b>300.00</b>       | <b>-</b>         |
| <b>Balance carried to Balance Sheet</b>    | <b>1,817.17</b>                         | <b>696.97</b>    | <b>21,359.33</b>    | <b>27,377.61</b> |
| Capital Reserve                            | 37.17                                   | 37.17            | 37.17               | 37.17            |
| General Reserve (On amalgamation)          | 418.57                                  | 418.57           | 418.57              | 418.57           |
| Reserve Fund Closing Balance               | 824.40                                  | 524.40           | 824.40              | 524.40           |
| <b>Other Comprehensive Income</b>          | <b>1,981.65</b>                         | <b>4,510.80</b>  | <b>1,981.65</b>     | <b>4,510.80</b>  |
| <b>Other Equity</b>                        | <b>5,078.96</b>                         | <b>6,187.91</b>  | <b>24,621.12</b>    | <b>32,868.55</b> |

**NOTES:** These financial statements, for the year ended March 31, 2020, are the first financial statements that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP) and in accordance with prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by the Reserve Bank of India (RBI) for NBFCs to the extent applicable (collectively referred as "Previous GAAP"). In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018, the Company's date of transition to Ind AS. This explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019. Under Ind AS, all the assets and liabilities are recorded at their fair value except wherever stated in the financial statement considering the transition date as 1st April, 2018 and the difference between fair value and historical cost has been transferred to "Other Comprehensive Income" being shown under the head 'OTHER EQUITY'. In preparing the financial statements, the Company has applied the optional exemptions and mandatory exceptions. Significant items are explained below:

- (i) Property, plant and equipment, intangible assets and investment properties as permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.
- (ii) Investments in group companies The Company has elected to apply the exemption available under Ind AS 101 to use the carrying value (measured as per the previous GAAP) for all its investments in associates as recognised in the financial statements as at the date of transition to Ind AS, as deemed cost as at the date of transition.
- (iii) De-recognition of financial assets and liabilities The Company has elected to apply the de-recognition principles of Ind AS 109 retrospectively.

B) Note to the reconciliation:

- i) Fair valuation of investments Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on intention of management at the time of purchase. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. In accordance with Ind AS, the Company has recognised the net fair value changes relating to in equity instruments in the statement of profit and loss.
- ii) Tax impact on adjustments Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.
- iii) Retained earnings as at 1 April 2018, has been adjusted consequent to the above Ind AS transition adjustments
- iv) Other comprehensive income/Items of income and expense that are not recognised in profit or loss but are shown in other comprehensive income includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI instruments. The concept of other comprehensive income did not exist under previous GAAP

## 2. OPERATING PERFORMANCE

During the year, the Company earned total income of Rs. 38.35 cr (as against Rs.2.95 cr in the previous year) which includes interest income, dividend income and sale of shares. The Company has seen a significant rise in revenue due to disposal of shares held as Inventory in the accounts and that has resulted in Profit before Tax of Rs.13.61 cr as against loss of Rs. (13.60) cr in the previous year. The Investments of the company have shown considerable decrease in market/fair value as compared to previous year on the balance sheet date. But the stock market has shown sign of recovery in the current quarter and the value of Investments have shown upward movement. Overall in the current pandemic situation, the company has managed to sail through however the financial impact may be felt in the coming financial year if the lockdown continues for longer period. The Company has made provisions of Rs.1.96 cr for certain assets as doubtful and has also transferred Rs.3 cr being 20% of Profit after Tax to Reserve Fund as per Prudential norms of Reserve Bank of India as applicable to us being NBFC. The Company has written off Rs.15.40 lacs as Bad debts during the year since not recoverable.

Your Company has one Associate – Adventz Finance Private Limited where it hold around 26% of the shareholding in the said Associate Company. The total Loss of Rs. 71.38 cr of Associate Company has been accounted for in the Consolidated Statement of Profit and Loss Account and accordingly investment in such associate has been adjusted since it became associate.

Global financial markets were having abundant cheerfully sailing on fair winds of liquidity, infused by global central banks, were suddenly hit by a giant wave of selling due to the COVID-19 pandemic that has sent prices in the last quarter of 2019-20 crashing wiping away the earning of not only the financial year but also of past several years. The impact on the Company will be seen and felt during the next financial year since if the lockdown measures continues for a longer duration.

Your Company continues to be a Non-Deposit Taking Non - Systematically Important Non-Banking Financial Company, primarily engaged in investment in shares/ securities and providing Inter-Corporate Deposits. There was no change in the nature of the business of the Company during the year under review.

There are no significant or material orders passed by any Regulators, Courts or Tribunals against the Company which could impact the going concern status and Company's operations in future.

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

### **3. COVID-19 MEASURES FOR A SAFE AND CONDUCTIVE WORKPLACE**

The outbreak of corona virus disease in the year 2020 (COVID-19) has created a global health crisis that has had a deep impact on the way we perceive our world and our everyday lives. Not only the rate of contagion and patterns of transmission threatens our sense of agency, but the safety measures put in place to contain the spread of the virus also require social distancing. Within this context of physical threat, social and physical distancing, as well as public alarm, what has been (and can be) the role of the company in bettering the lives of individual that it comes in contact with on social and societal levels.

On March 22, India observed a 14-hour voluntary public curfew at the instance of the Prime Minister, Shri Narendra Modi. It was followed by mandatory lockdowns in COVID-19 hotspots and all major cities. Further, from March 24, the Prime Minister ordered a nationwide lockdown for 21 days, affecting the entire 1.3 billion population of India which was extended the nationwide lockdown till 3 May and again by two-week extensions upto 17 May with substantial relaxations. Beginning 1 June the Government has started unlocking the country (barring containment zones) in phases.

As of March 23, 2020, work from home was enabled to work remotely and securely. The Company has stringently followed the lockdown and subsequent safety guidelines as set down by the Government of India and has taken the following steps to keep up with social distancing norms to be adopted:

1. The Office at Kolkata had been closed as per lockdown directives by the Government and commenced after 17th May, 2020, with restrictive attendance and proper sanitization through.
  - a) Promoting regular and thorough hand-washing by employees, visitors
  - b) Putting sanitizing hand rub dispensers in prominent places around the workplace. Making sure these dispensers are regularly refilled
  - c) Making sure that staff, contractors and customers have access to places where they can wash their hands with soap and water
  - d) Ensure that face masks and / or paper tissues are available at our workplaces, for those who develop a runny nose or cough at work, along with closed bins for hygienically disposing of them.
2. Necessary guidelines for the Company have been drafted on basis of the guidelines received from the Central/State/Municipal authorities on social distancing, travel guidelines, thermal screening, permissible number of employees per site, Aarogya Setu app download by its employees.
3. All office areas have been sanitized on the need to maintain required level of safety in operations.
4. Employees have been informed on safe practices to be observed, while travelling when using public facilities and at offices.
5. Susceptible employees and/or visitors, contractors, vendors of the organization over the age of 60 years or having young children or very elderly unwell parents at home are encouraged to work from home as much as possible.

### **4. ECONOMIC AND FINANCIAL IMPACT OF COVID-19**

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption of services. The effect of Corona virus was badly felt and noticed in the world's most developed countries like USA,

Britain and Germany etc. Learning the lessons from the developed countries like Spain and Italy, India put all its machinery and material into motion to curb and/or prevent the disease. What started as one day *Janta Curfew* on 22.03.2020 by the Prime Minister of India and lockdowns by some of the state governments, the entire country was declared to be under lockdown from the midnight of 24.03.2020, and the same continues to be so till now in few states until decided otherwise. Resultantly, everything and every activity, barring the activities concerning the essential supplies came to a complete grinding halt. Though the improvement in environment due to such lockdown was silver lining, the toll on economy due to this lockdown will be estimated at a later stage.

5. **DIVIDEND**

The Board of Directors' do not recommend payment of any dividend for the financial year ended 31<sup>st</sup> March, 2020.

6. **TRANSFER OF UNCLAIMED DIVIDEND**

The provisions of Section 125(2) of the Companies Act, 2013 (hereinafter referred to as "the Act"), do not apply to your Company as there is no unclaimed or unpaid dividend amount due for transferring to Investor Education and Protection Fund established by the Central Government.

7. **STATUTORY RESERVES**

A sum of Rs. 3,00,00,000/- has been transferred to the Reserve Fund as required under Section 45 of The Reserve Bank of India Act, 1934.

8. **DEPOSITS**

The company is a Non-deposit taking Non- Banking Finance Company, registered with the Reserve Bank of India (RBI). Accordingly, your Company has not accepted any deposits from the public/members during the year or earlier years and pass a resolution every year for non-acceptance of any public deposit.

9. **SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES**

The Company has one associate as on 31<sup>st</sup> March, 2020, namely M/s. Adventz Finance Private Limited. The said Company is also the Holding Company of your Company. A statement containing the salient features of the financial statement of the associate company, in Form AOC-1, is attached as Annexure to this report. Your Company does not have any subsidiary or joint venture.

Pursuant to Section 129 of the Act, the Company has prepared Consolidated Financial Statements, incorporating the results of its Associate. These Financial Statements shall also be laid before the members in the ensuing Annual General Meeting, for consideration and adoption.

10. **RELATED PARTY TRANSACTIONS**

During the financial year ended 31<sup>st</sup> March, 2020, all the contracts and/or arrangements and/or transactions entered into by the Company with related parties were on arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of Companies act, 2013 and the SEBI LODR Regulations 2015.

Further the Company has not entered into any contract / arrangement/ transaction with the promoters, directors, key managerial personnel and any other related party which could be considered material to have a potential conflict of interest with the Company at large in accordance with the policy of the Company.

In view of the above, disclosure in Form AOC- 2 is not applicable for the year ended 31<sup>st</sup> March, 2020. The Company has formulated a policy on dealing with Related Party transactions and the same is disclosed on the Company's website. The web link for accessing the Related Party Transaction Policy is <http://poddarheritage.com/policies/rleated-party-transaction-policy.pdf>.

**11. LOANS, GUARANTEES AND INVESTMENTS**

The details of Loans and Investments made during the years have been disclosed in the notes to the Financial Statements. No Guarantee has been issued by your Company.

**12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**Directors Responsibility Statement**

Pursuant to Section 134(5) of the Act, the board of directors, to the best of their knowledge and ability, state that:

- i. In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures, if any;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and of the profit of the Company for the year ended on that date;
- iii. The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a 'going concern' basis;
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**a. Board Composition**

The Board of your Company consists of seven directors as on 31<sup>st</sup> March, 2020, comprising of Independent and Non-Independent Directors. During the year under review Mrs. Shradha Agarwala has been appointed as non-executive additional director on 13.02.2020 subject to regularization in the upcoming Annual General Meeting to be held on 25.11.2020. The addition of newest director does not in anyway impose the sanctity of the composition of the Board.

All the directors of the Company, including the Independent Directors, have disclosed their concern and interest in other companies, bodies corporate, firms, and other association of individuals, including the shareholding, in Form MBP-1. Further, all the Independent Directors have confirmed that they meet the criteria of independence, as laid down under Section 149(6) of the Act, read along with the Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations").

**b. Re-appointment / Retirement of director by rotation**

Pursuant to Section 152(6) of the Act, Mr. Gaurav Agarwala (DIN: 00201469), Non-executive Non-independent Director, retires by rotation at the ensuing 36<sup>th</sup> Annual General Meeting and being eligible, offers himself for reappointment. His reappointment at the AGM will be in the interest of the Company. The Nomination and Remuneration Committee and the Board considered that the re-appointment of Mr. Gaurav Agarwala is in the interest of the Company and have

recommended his re-appointment in view of financial acumen and expertise of Mr. Gaurav Agarwala.

A brief profile and details of directorship and committee membership in other Companies of Mr. Gaurav Agarwala is given in the Report on Corporate Governance which is attached as Annexure to this report.

The Shareholders in its 35th Annual General Meeting held on 26th August, 2019, has approved the following re-appointment.

- i. Mr. Akshay Poddar (DIN: 00008686) was re-appointed as non-executive Non-Independent Director
- ii. Mr. Rewati Raman Goenka (DIN: 00375716) was re-appointed as an Independent Non-Executive Director to hold office for second term of five consecutive years.
- iii. Mr. Piyush Khaitan (DIN: 00348151) was re-appointed as an Independent Non-Executive Director to hold office for second term of five consecutive years.
- iv. Mr. Kunal Agarwala (DIN: 01205229) was re-appointed as an Independent Non-Executive Director to hold office for second term of five consecutive years.

**c. Meetings of the Board**

The details of the number of meetings of the Board held during the Financial Year 2019-2020 forms part of the Corporate Governance Report.

**d. Key Managerial Personnel**

There has been no change in the Key Managerial Personnel of the Company for the year under review.

**13. BOARD EVALUATION**

Pursuant to the provisions contained in Companies Act, 2013 and SEBI Listing Regulations, the Annual performance evaluation has been carried for the evaluation of all the Directors, the Board, Chairman of the Board and the working of the Board and the Committees thereof. Evaluations are performed at three levels. Performance of the Chairman, non-independent directors and the Board as a whole is carried out by the independents directors in their meeting. All the directors, including the Independent Directors, and the Board as a whole, including its committees, are periodically reviewed both by the Nomination & Remuneration Committee and the Board of Directors. Such periodical review helps the Company to assess the performance and contribution of the directors. Feedback was sought by way of well-defined and structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations and governance, compliance, oversight of Company's subsidiaries, etc., and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors who were evaluated on several parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders and knowledge acquired with regard to the Company's business/activities. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. Qualitative comments and suggestions of Directors were taken into consideration by the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee. The Directors have expressed their satisfaction with the evaluation process.

The Board of Directors in a meeting held on 30<sup>th</sup> May, 2020, the first board meeting of the financial year starting 1<sup>st</sup> April, 2020, reviewed the performance evaluation report given by the Independent Directors in their meeting and also performed their own review of the performance of the Independent Directors, their independency criteria and conduct during the financial year 2019-20 and found it to be satisfactory.

The results of the above performance evaluations are satisfactory and adequate and meet the requirement of the Company.

#### **14. NOMINATION AND REMUNERATION POLICY**

Pursuant to Section 178(1) of the Act, the Company had constituted Nomination and Remuneration Committee to perform such functions as enumerated in the Act and the SEBI Listing Regulations. Your Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance and has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. Your Company follows the Policy on Remuneration of Directors/Senior Management Employees, as drafted by the Committee and approved by the Board. A detailed report on the same is given in the Corporate Governance Report, which forms an integral part of this report.

#### **15. AUDITORS AND AUDITOR'S REPORTS**

##### **a. Statutory Auditor**

M/s. Chaturvedi & Company, Chartered Accountants (Firm Registration No. 302137E), were appointed as Statutory Auditors of the Company for a period of 5 years commencing from conclusion of 33<sup>rd</sup> Annual General Meeting. The ratification of Auditors is no longer required under the Companies Amendment Act, 2017, read with The Companies (Audit And Auditors) 2<sup>nd</sup> Amendment Rules, 2018. Accordingly, the appointment of the Statutory Auditors of the Company hereby stands confirmed and approved till the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company to be held in the year 2021.

The Statement on Impact of Audit Qualifications for the financial year ended 31<sup>st</sup> March, 2020, as stipulated in regulation 33(3)(d) of the SEBI Listing Regulations, is attached as an annexure to this report. The observations and qualifications made by the Auditor's in their Audit Report for 2019-2020 are self-explanatory in nature and do not call for any further comments.

##### **b. Secretarial Auditor**

Mr. G. L. Bubna, Practicing Company Secretary, (ACS – 7290) was appointed as Secretarial Auditor of the Company on 27<sup>th</sup> March, 2018 and has subsequently resigned from the post. Mr. Asit Kumar Labh, Practicing Company Secretary (COP Number: 14664) has been appointed as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2019-20 and onwards for the next subsequent years, subject to the ratification by the Board of Directors every year and consent letter received on 10<sup>th</sup> July, 2020, pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. The Report of the Secretarial Audit Report is enclosed as Annexure to the Directors' Report. There were no qualifications in the report.

**c. Internal Auditor**

In accordance with the provisions of Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations and Section 138 of the Companies Act, 2013, M/s. Beriya & Co., Chartered Accountants (Firm Registration No: 327617E) were appointed as the Internal Auditor of the Company to audit the internal systems, controls and procedures and/or such other matters as may be decided by the Audit Committee. The Internal Auditors directly report to the Chairman of the Audit Committee of the Company to maintain its objectivity and independence. There is no adverse observation in the report.

**16. COMMITTEES OF THE BOARD**

Pursuant to various provisions of the Act, the Board of Directors have formed the following Committees:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Corporate Social Responsibility (CSR) Committee.

The details of the Committees, along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

**17. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, a "Vigil Mechanism Policy" for Directors and employees of the Company is in place, to report their genuine concern of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct etc. During the financial year under review, no employee has been denied access to the Chairman of the Audit Committee. Also, Whistle blower complaints, if any and their redressal are discussed at the meeting of Audit Committee of the Board. During the financial year under review, no such complaints were received. The Whistle Blower Policy has been posted on the website of the Company <http://www.poddarheritage.com/policies/vigil-mechanism-whistle-blower-policy.pdf>.

The Code of Conduct for the Board of Directors and Senior Management states that Directors and Senior Managers of the Company shall endeavour to promote ethical behaviour and to provide an opportunity to employees to report violation of laws, rules, regulations or codes of conduct and policy directives adopted by the Company to the appropriate personnel without fear of retaliation of any kind for reports made by the employees in good faith.

**18. CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

Your Company perceives Corporate Social Responsibility (CSR) as an opportunity to contribute towards uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy of your Company is embedded in its commitment to all stakeholders namely consumers, employees, environment and society and its sustainable approaches towards practicing humble service to Humanity, has enabled it to continue fulfilling its commitment to be a socially responsible corporate citizen.

The Company has codified a policy on Corporate Social Responsibility, the text of which is available at <http://www.poddarheritage.com/policies/csr.pdf>.

The Company is not required to make any contribution towards the CSR initiative as the company has not made the required profit in the last three years and thus is not required to set out the Annual



Report on CSR activities as required under Section 134 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

**19. HUMAN RESOURCE**

Your Company treats its “Human Resource” as one of its most important assets. The Company has always provided a congenial atmosphere for work to all its employees that is free, from discrimination and harassment.

**20. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, your Company has zero tolerance towards sexual harassment at the workplace.

As required under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, the Company has a Policy on Prevention of sexual harassment of women at workplace and matters connected therewith and have also complied with the provisions relating to the Constitution of Internal Complaint Committee (ICC).

The ICC is responsible for redressal of complaints related to sexual harassment as well as to create a preventive environment across the organization. The Company conducts sensitization / awareness sessions on a regular basis so as to create a free and fair working environment.

It is our constant endeavor to ensure that we provide harassment free, safe and secure working environment to all employees specially the women. We are proud to inform that our female workforce feels happy and safe while working within the Company.

Further, as per the provisions of Section 21 & 22 of the said Act, the Report on the details of the number of cases filed under Sexual Harassment and their disposal for the financial year under review, is as under:

| <b>Sr. No.</b> | <b>No. of cases pending as on the beginning of the financial year under review</b> | <b>No. of complaints filed during the financial year under review</b> | <b>No. of cases pending as on the end on the financial year under review</b> |
|----------------|--|---|--|
| NIL            | NIL  | NIL   | NIL  |

Particulars of employees as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as an Annexure to this report. Further, there was no employee in the Company who was in receipt of remuneration beyond the threshold limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**21. INTERNAL CONTROL SYSTEMS**

With an aim to monitor and control day-to-day operations at ASEL, the Company has set up internal control systems for regular tracking and reporting. These systems also monitor compliance to various rules and regulations and adherence to policy requirements.

In order to strengthen the system of Internal Control and provide the Board of Directors of the Company with an added ability to oversee internal controls, Internal Financial Control (“IFC”) system was put in place in accordance with the requirements of Section 134(5)(e) of the Companies Act 2013.

Systems of Internal Control were implemented, considering the framework suggested in Guidance Note on Audit of Internal Financial Controls over the Financial Reporting issued by The Institute of Chartered Accountants of India, to address its operational and financial risk.

In order to perform online tracking of the Company's regulatory compliances, Compliance systems were implemented alongwith backing up all data under the CLOUD control system. These systems allow the Company to track its compliance requirements online, thereby enabling stricter adherence to regulations.

**22. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, crucial financial information, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures apart from periodic evaluation by in-house Internal Audit function for necessary improvement, wherever required. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance and safeguards investor interest by ensuring the highest level of governance. The Company uses the Tally software system to record data for accounting and managing information with adequate security procedure and controls. The internal controls are tested for adequacy, efficiency and effectiveness through audits by the in-house internal audit department and the observations, corrective and preventive actions are reviewed by the management and Audit Committee of the Board of Directors.

The Management, Internal Auditors and Statutory Auditors work simultaneously in tandem as an Internal Audit Team to evaluate the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Financial Controls.

During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

**23. RISK MANAGEMENT**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's Risk Management Policy is well defined to identify and evaluate business risk across all segments. It assesses all risks at both pre and post-mitigation levels and looks at the actual or potential impact a risk may have on the business together with an evaluation of the probability of the same occurring. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

**24. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as on the financial year ended 31<sup>st</sup> March, 2020, in Form No MGT-9 is enclosed as an Annexure to this report. The annual return of the Company shall also be available at the website of the Company at [www.poddarheritage.com](http://www.poddarheritage.com).

**25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. Conservation of Energy and Technology Absorption**

Particulars in respect of Conservation of Energy, technology absorption etc. as required under 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to this Company. The Company has not carried out any R&D activities.

## **B. Foreign Exchange Earnings and Outgo**

| <b>Particulars</b>   | <b>Financial Year 2018-19</b> | <b>Financial Year 2019-2020</b> |
|--|-------------------------------|---------------------------------|
| Foreign Exchange Earnings during the year                                  | NIL                           | NIL                             |
| Foreign Exchange Outgoings during the year (on account of travel expenses) | Rs. 1,75,122/-                | NIL                             |

### **26. CORPORATE GOVERNANCE**

As per Regulation 34 (3) read with Schedule V of the SEBI Listing Regulations, a separate Corporate Governance Report is attached to this Annual Report as an Annexure and the same forms an integral part of this Report. Pursuant to Schedule V of the SEBI Regulations the following Reports/Certificates form part of the Annual Report:

- the Report on Corporate Governance;
- the Certificate duly signed by the Manager and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2020 as submitted to the Board of Directors at their meeting held on July 10, 2020 ;
- the declaration by the manager regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct ; and
- the Management Discussion & Analysis Report The Auditors' Certificate on Corporate Governance is annexed to this report

### **27. BOARD POLICIES**

The details of the policies approved and adopted by the Board are provided as an Annexure to this Report.

### **28. MANAGEMENT DISCUSSION AND ANALYSIS**

As per Schedule V of the SEBI Listing Regulations, the Management Discussion and Analysis Report is attached to this Report as Annexure.

### **29. ACKNOWLEDGEMENT**

Your Directors also place on record their sincere thanks and appreciation for the continuing support and assistance received from the financial institutions, banks, Government as well as non-government authorities, stock exchange and members during the financial year under review. The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and the other regulatory authorities in such trying times.

#### **Registered Office:**

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Hongkong House

31, B. B. D. Bagh(s)

Kolkata – 700 001

Phone: 033- 2248 8891

Fax: 033- 2243 7215

Email: [corp@poddarheritage.com](mailto:corp@poddarheritage.com)

Website: [www.poddarheritage.com](http://www.poddarheritage.com)

**Dated: 29<sup>th</sup> October, 2020**

For and on behalf of the Board

**For Adventz Securities Enterprises Limited**

**Gaurav Agarwala**

**Director**

**DIN: 00201469**

**Piyush Khaitan**

**Director**

**DIN: 00348151**

# CORPORATE GOVERNANCE REPORT

The Report for the financial year ended March 31, 2020 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is given below.

## 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The Company’s philosophy on Corporate Governance is aimed at (a) enhancing long term shareholder value through assisting the top management in taking sound business decisions; and prudent financial management. (b) achieving transparency and professionalism in all decisions and activities of the Company (c) achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible and reviewing periodically the existing systems and controls for further improvements.

Since inception your Company has adhered to the highest standards of governance long before they were legally mandated. Your Company is committed to ethical values, sustainable business practices, and to driving positive change in the areas in which it operates. Above all, your Company is committed to creating shared value for all its stakeholders.

Strong leadership and effective corporate governance practices have been the Company’s hallmark inherited from the Adventz culture and ethos. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. The Company has had a strong legacy of fair, transparent and ethical governance practices.

Your Company places great emphasis on empowerment, integrity and safety of its employees, diversity, transparency in all its dealings and accountability towards all the stakeholders. It is a firm conviction of the Company that good Corporate Governance practices are powerful enablers, which infuse trust and confidence and are able to attract and retain financial and human capital. Your Company has an active, experienced and a well-informed Board. Through the governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities towards all its stakeholders by encompassing best practices to support effective and ethical leadership, sustainability and good corporate citizenship. The Company will continue to focus its resources, strengths and strategies, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Adventz Group.

The Company’s governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company’s Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders, Whistle Blower/Vigil Mechanism Policy, a Fair Practices Code, a Policy against Sexual Harassment in the Workplace, a Policy on Board Diversity and Director Attributes, are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances. The Company believes that there is a need to view Corporate Governance as more than just regulatory requirements, as there exists, a fundamental link with the organization of business, corporate responsibility and shareholder wealth maximization.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable, with regard to corporate governance.

## **2. BOARD OF DIRECTORS**

The Board of Directors along with the Committees thereof, provides guidance to the Company's Management and directs, supervises and controls the activities of the Company. The Company has put in place an internal governance structure. The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Manager and CFO, who functions under the overall supervision, direction and control of the Board of Directors ("the Board") of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc.

### **a. Composition of the Board**

Pursuant to the provisions of Section 165 of the Act, none of the Directors of the Company is a Director in more than 10 public limited companies (including any Alternate directorships). Further, as mandated by Regulation 17A of the Listing Regulations, none of the Directors of the Company holds Directorships in more than seven equity listed entities or acts as an Independent Director (including any Alternate directorships) in more than seven equity listed companies or three equity listed companies in case he/she serves as a Whole-time Director in any listed entity. Further, as stipulated in Regulation 26 of the Listing Regulations, none of the Directors is a Member of more than 10 Board level Committees and no such Director is a Chairman/Chairperson of more than five Committees, across all public limited companies in which he/she is a Director. The Board, as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The Board of your Company comprises of seven Directors as on 31st March, 2020, with three Independent Directors (including the Chairman of the Board) and four Non-Executive Non-Independent Directors.

Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March 31, 2020, have been made by the Directors.

### **Number of Board Meetings**

The notes on Agenda setting out the business to be transacted at the Board Meeting, were sent to each Director seven days before the date of the Board Meeting. The financial results were generally tabled at the Board meeting held as and when necessary. During the year under review, six meetings of the Board were held on respectively on :8<sup>th</sup> April, 2019; 28<sup>th</sup> May, 2019; 29<sup>th</sup> July, 2019; 14<sup>th</sup> September, 2019; 12<sup>th</sup> December, 2019; 13<sup>th</sup> February, 2020. The maximum time gap between any two meetings was less than 120 days. The maximum gap between any two meetings was not more than one hundred and twenty days.

The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM), number of Memberships/Chairmanships of Directors in other Boards and Committees of Board, Category of directorship and names of listed entities where person is a director are as follows:

### **Category, Directors' Attendance Record and Directorships Held**

The names and categories of Directors, DIN, their attendance at the Board Meetings held during the year and at the last Annual General Meeting (AGM) held on 26<sup>th</sup> August, 2019, as also the number of Directorships and Committee positions held by them in Indian public limited companies, and names of listed entities where they hold Directorships and category of such Directorships are provided below:

| Sl. No | Name of Director         | Category of Director        | No. of Board Meetings |          | Last AGM attended | No of Directorship in other Companies |          | No of Committee Membership in other Companies | No of Committee Chairmanship in other companies | Relationship with other Director  | No. of shares held in the Company |
|--------|--------------------------|-----------------------------|-----------------------|----------|-------------------|---------------------------------------|----------|---|---|---|-----------------------------------|
|        |                          |                             | Held                  | Attended |                   | Listed                                | Unlisted |   |   |   |                                   |
| 1      | Mr. Rewati Raman Goenka  | Board Chairman<br>ID<br>NED | 6                     | 6        | Yes               | NIL                                   | 2        | NIL   | NIL   | N.A.  | NIL                               |
| 2      | Mr. Akshay Poddar        | NID<br>NED (P)              | 6                     | 2        | No                | 5                                     | 10       | 6   | 1   | Puja Poddar -Wife<br>Gaurav Agarwala - Brother - in - law, husband of Shradha Agarwala<br>Shradha Agarwala - Sister         | NIL                               |
| 3      | Mr. Gaurav Agarwala      | NID<br>NED (P)              | 6                     | 6        | Yes               | NIL                                   | 6        | NIL   | NIL   | Shradha Agarwala -Wife<br>Akshay Poddar - Brother-in-law<br>Puja Poddar - Sister-in-law, wife of Akshay Poddar              | NIL                               |
| 4      | Mr. Kunal Agarwala       | ID<br>NED                   | 6                     | 6        | Yes               | NIL                                   | 6        | NIL   | NIL   | N.A.  | NIL                               |
| 5      | Mr. Piyush Khaitan       | ID<br>NED                   | 6                     | 6        | Yes               | NIL                                   | 3        | NIL   | NIL   | N.A.  | NIL                               |
| 6      | Mrs. Puja Poddar*        | NID<br>NED (W) (P)          | 6                     | 2        | No                | NIL                                   | 1        | NIL   | NIL   | Akshay Poddar - Husband<br>Gaurav Agarwala - Brother - in - law<br>Shradha Agarwala -Sister-in-law, wife of Gaurav Agarwala | NIL                               |
| 7      | Mrs. Shradha Agarwala ** | NID<br>NED (W) (P)          | 6                     | 1        | No                | 1                                     | 5        | 4   | NIL   | Guarav Agarwala - Husband<br>Puja Poddar - Sister - in - law, wife of Akshay Poddar<br>Akshay Poddar -Brother               | NIL                               |

\* Resigned from the Board of Directors w.e.f. 15.09.2020

\*\*Appointed as an additional director on board w.e.f. 13.02.2020

(Note: Number of Directorships/Membership held in other companies excludes directorship in foreign companies and Companies under Section 8 of the Companies Act, 2013 and Committee Membership of various chambers/bodies.)

Abbreviations:

|     |                          |
|-----|--------------------------|
| ID  | Independent Director     |
| NID | Non-Independent Director |
| NED | Non-Executive Director   |
| P   | Promoter Category/Group  |
| W   | Women Director           |

The details of directors holding directorship in the following other listed companies as on 31.03.2020

| Name of Director    | Names of other Listed entities where person is a director | Category of Directorship |
|---------------------|---|--------------------------|
| Akshay Poddar       | Mangalore Chemicals & Fertilisers Ltd                     | NID<br>NED/P             |
|                     | Texmaco Infrastructure & Holdings Ltd                     | NID<br>NED/P             |
|                     | Texmaco Rail & Engineering Ltd                            | NID<br>NED/P             |
|                     | Zuari Agro Chemicals Ltd                                  | NID<br>NED/P             |
| Puja Poddar         | Nil   | N.A.                     |
| Guarav Agarwala     | Nil   | N.A.                     |
| Rewati Raman Goenka | Nil   | N.A.                     |
| Piyush Khaitan      | Nil   | N.A.                     |
| Kunal Agarwala      | Nil   | N.A.                     |
| Shradha Agarwala    | Duke Commerce Limited                                     | NID<br>NED               |

## b. Meeting Mechanisms

Pursuant to the Revised Secretarial Standard-1 (SS-1), your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, during the Financial Year under review.

The Company places the information, as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations, to the Board and Committees thereof, to the extent it is applicable and relevant. The important decisions taken at the Board or Committee Meetings are communicated to the concerned department/division.

The Company sends a detailed agenda setting out the business to be transacted at the Meeting(s) to each Director at least seven days before the date of the Board and Committee Meetings. All the agenda items are supported by detailed Notes, documents and presentations, if any, as required by the various items to enable the Board to take informed decisions. The Directors are also provided the facility of video conferencing to enable them to participate effectively in the Meeting(s), as and when required.

The Board provides the overall strategic direction and periodically reviews strategy and business plans, compliance report(s) of all laws applicable to the Company, as well as steps taken to rectify instances of non-compliances if any, review of major legal issues, minutes of Meetings of the Committees of the Board, approval and adoption of quarterly/half-yearly/annual results, risk assessment and minimization procedures, sale of investments, major accounting provisions and write-offs, obligations, if any. The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

The Company has a well-established framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Board and Committee meetings in an informed and efficient manner.

**c. Attendance at Board Meetings apart from Board Members.**

The Company Secretary attends the Board and Committee Meetings and advises the Board on Compliances with applicable laws and governance. The Chief Financial Officer is also present in the meetings, where discussions related to financials take place.

The Statutory Auditors attend the Board meetings on all occasions of quarterly and annual financial reporting for the purpose of Stock Exchanges.

**d. Separate Meeting of Independent Directors**

The Independent Directors met once during the year under review, on 10th march, 2020. The Meetings was conducted in an informal manner without the presence of the Whole-time Directors, the Non-Executive Non-Independent Directors, or any other Management Personnel, other than the Company Secretary, present on invitation basis . The role of the Independent Directors, inter-alia includes the following -

1. Review the performance of Non-Independent Directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company taking into account the views of the Executive Director and the Non-Executive Director;
3. Assess the quality, quantity and functions of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

**e. Retirement of Directors by rotation and re-appointment**

Pursuant to provisions of the Companies Act, 2013, Mr. Guarav Agarwala (DIN: 00201469) retires by rotation and is eligible for re-appointment.

As per Regulation 36 of the SEBI (LODR), Regulations, 2015, brief profile and information about the director is given below:

|   |  |                                 |                           |
|---|--|---------------------------------|---------------------------|
| <b>Name</b>   | Gaurav Agarwala  |                                 |                           |
| <b>Date of Birth</b>  | 07.08.1972   |                                 |                           |
| <b>Date of Appointment</b>  | 22.03.2002   |                                 |                           |
| <b>DIN</b>  | 00201469   |                                 |                           |
| <b>Qualification</b>  | Graduate in Science & Business Administration from Boston University |                                 |                           |
| <b>Experience</b>   | More than 14 years in Finance and General Business Administration    |                                 |                           |
| <b>Directorship in other public limited Companies</b>   |  | <b>Public Limited Companies</b> | <b>Nature of Interest</b> |
|   | 1  | Gama Hospitality Limited        | Director                  |
| <b>Name of listed Companies in which director is Chairman/Member of Committee other than this Company</b> | NIL  |                                 |                           |

Shares of the Company held by Mr. Gaurav Agarwala, himself or for any other person on beneficial basis as on 31<sup>st</sup> March, 2020, is NIL.



**f. Familiarisation Programme**

The Company has adopted a structured programme for orientation of Independent Directors at the time of their joining so as to familiarise them with the Company – its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well informed and timely decisions and contribute significantly to the Company. Pursuant to Regulation 46 of the Listing Regulations, the details of familiarisation programmes are available on the website of the Company at the web-link <http://www.poddarheritage.com/policies/familiarization-programme.pdf>.

**g. Code of Conduct**

The Company has adopted a Code of Conduct for its Board Members and Senior Management which have been revised and reviewed and has posted the Code on the website of the Company in terms of Regulation 17 (5) of the Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Chairman has affirmed the compliance of the Code of Conduct by the Board Members and Senior Management for the year under review. A declaration to this effect signed by the Chairman, Mr. Rewati Raman Goenka forms part of this report.

**h. Matrix Chart setting out the skills / expertise /competence of the board of directors:**

A chart or a matrix setting out the skills/expertise/competence of the Board of Directors Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations the Board of Directors has identified the following the requisite skills/expertise and competencies for the effective functioning of the Company which are currently available with the Board. With effect from the financial year ending March 31, 2020, the list of core skills/expertise/competencies identified by the Board of Directors as require in the context of its business(es) and sector(s) for it to function effectively are herein outlined below:

| Section                        | Competency                        | Self-Assessment             |                             |                             |  |  |  |   |
|--------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|--|--|--|---|
|                                |                                   | Akshay Poddar               | Puja Poddar                 | Gaurav Agarwala             | Rewati Raman goenka                            | Piyush Khaitan                                 | Kunal Agarwala                                 | Shradha Agarwala  |
|                                | Tenure                            | Eligible for Re-appointment | Eligible for Re-appointment | Eligible for Re-appointment | Re-appointed for a second term of 5 years from | Re-appointed for a second term of 5 years from | Re-appointed for a second term of 5 years from | Eligible for Re-appointment (Appointed as an additional director on 13.02.2020) |
| Technical Skills and Expertise | Accounting                        | 4.0                         | 3.0                         | 4.0                         | 4.5  | 4.5  | 4.0  | 3.0   |
|                                | Finance                           | 4.5                         | 3.0                         | 4.0                         | 4.0  | 4.0  | 3.5  | 3.0   |
|                                | Industry Experience               | 4.5                         | 3.0                         | 3.5                         | 4.5  | 4.0  | 3.5  | 3.5   |
|                                | Law                               | 3.5                         | 3.5                         | 3.5                         | 4.0  | 3.0  | 3.5  | 3.0   |
|                                | Strategic Planning                | 4.5                         | 3.0                         | 3.5                         | 3.0  | 3.5  | 3.5  | 3.5   |
|                                | Contemporary Corporate Governance | 4.0                         | 4.0                         | 4.0                         | 3.5  | 3.5  | 4.0  | 3.5   |
|                                | Risk Management                   | 4.0                         | 4.0                         | 4.0                         | 3.0  | 4.0  | 4.0  | 3.5   |
|                                | Financial Planning                | 4.5                         | 3.0                         | 3.5                         | 3.5  | 4.0  | 3.0  | 3.0   |
| <b>Current Competency</b>      | 4.2                               | 3.3                         | 3.8                         | 3.8                         | 3.8  | 3.6  | 3.3  |   |
| <b>Met/Not Met</b>             | Met                               | Met                         | Met                         | Met                         | Met  | Met  | Met  |   |

5: Maximum Score

4.5/4: Very good

3.5/3: Good

2: Average

1: Below Average Competency

#### 4. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations, read with Section 177 of the Act. The members of the Committee are well qualified and financially literate and two-third of the Committee consists of Independent Directors. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to financial information.

##### a. Terms of Reference

The terms of reference of the Audit Committee are in line with the SEBI Listing Regulations and Section 177 of the Act, and includes, among other things, review of the Company's financial reporting process and its financial statements, review of the accounting and financial policies and practices, the internal control and internal audit systems, risk management policies and practices and Internal audit reports, review the functioning of the Whistle Blower mechanism, etc. The role also includes making recommendations to the Board, re-appointment of statutory auditors and fixation of audit fees.

Besides above, the additional terms of reference of Audit Committee as per the Companies Act, 2013 includes review and monitor auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditor's report thereon; approval or any subsequent modification of transactions of the company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the company, wherever it is necessary.

The Committee is also empowered to inter alia review the remuneration payable to the Statutory Auditors and Internal Auditors, recommend to the Board the term of appointment and remuneration of the Statutory Auditors and Internal Auditors and recommend a change in the Auditors, if felt necessary. Further, the Committee is empowered to recommend to the Board, the appointment of Chief Financial Officer, the term of appointment and remuneration of the Internal Auditor, etc. Further, the Committee also reviews Financial Statements and investments of the unlisted subsidiary companies, Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions, etc.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2)(c) and reviews all the information as prescribed in Regulation 18(3) read with the Paragraph B of Part C of Schedule II of the Listing Regulations. Generally, all items listed in Regulation 18(3) read with Part C of Schedule II of the Listing Regulations are covered in the terms of reference. The Committee is also authorised to oversee the functioning of the Whistle Blower Policy/ Vigil Mechanism as well as review on a quarterly basis, the Report on compliance under the Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to the PIT Regulations

#### Audit Fees

| Type of service    | Financial year<br>2019-20 | Financial year<br>2018-19 |
|--------------------|---------------------------|---------------------------|
| Audit Fees         | 1,41,600.00               | 1,06,200.00               |
| Certification Fees | 2,62,550.00               | 53,100.00                 |
| <b>Total</b>       | <b>4,04,150.00</b>        | <b>1,59,300.00</b>        |

#### b. Number of Committee Meetings

During the financial year under review, the Committee met five times on 8<sup>th</sup> April, 2019, 28<sup>th</sup> May, 2019; 14<sup>th</sup> September, 2019; 14<sup>th</sup> December, 2019 and 13<sup>th</sup> February, 2020. The details of the Committee Meetings held during the year 2019-20 are as under:

| Name of the Members               | Category                         | No. of meetings during the financial year<br>2019-20 |          |
|-----------------------------------|----------------------------------|--|----------|
|                                   |                                  | Held   | Attended |
| Mr. Piyush Khaitan<br>Chairman    | Non-Executive<br>Independent     | 5  | 5        |
| Mr. Rewati Raman Goenka<br>Member | Non-Executive<br>Independent     | 5  | 5        |
| Mr. Gaurav Agarwala<br>Member     | Non-Executive<br>Non-Independent | 5  | 5        |

The Chairman of the Audit Committee, Mr. Piyush Khaitan was present at the last Annual General Meeting of the Company held on 26<sup>th</sup> August, 2019, to answer members' queries.

All the Members of the Audit Committee possess strong accounting and financial management knowledge.

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Manager & the Chief Financial Officer, also attend the meeting.

## 5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is duly constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act. The Broad terms of reference of the Committee include the following:

- To identify and recommend persons who are qualified to become Directors and who may be appointed in Senior Management Personnel, and also recommend to the Board for their re-appointment and removal.
- To recommend the Board the setup and composition of the Board and its committees, and to also periodically review the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- To formulate the policy/criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- To Recommend the Board the Remuneration Policy for directors, Key Managerial Personnel, other Senior Management as well as the rest of the employees.
- To carry out the evaluation of all the Directors, Independent Directors and the Board as a whole and its committees. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board".
- To oversee the performance and review the contributions made by the Key Managerial Personnel and other Senior Executives of the Company.
- To perform such other duties and responsibilities as may be consistent with the provisions of the Committee charter.

The Nomination and Remuneration Committee comprises– Mr. Piyush Khaitan, Mr. Rewati Raman Goenka and Mr. Gaurav Agarwala.

The Committee met on 08<sup>th</sup> April, 2019, 29<sup>th</sup> July, 2019 and 13<sup>th</sup> February, 2020, in the financial year 2019-20. The meeting held on 08<sup>th</sup> April, 2020 was done to evaluate the performance of the whole Board and Non-Independent Directors for the financial year 2018-19 and to note the re-appointment of the independent directors Mr. Rewati Raman Goenka, Mr. Piyush Khaitan and Mr. Kunal Agarwala and forward the suggestion to the Board of Directors for their approval. The Nomination and Remuneration Committee, then, met on 30<sup>th</sup> May, 2020, to evaluate the same during the whole financial year 2019-20.

| Name of the Members            | Category                     | No. of meetings during the financial year 2019-20 |
|--------------------------------|------------------------------|---|
|                                |                              | Held  |
| Mr. Piyush Khaitan<br>Chairman | Non-Executive<br>Independent | 3   |

|                                   |                                  |   |
|-----------------------------------|----------------------------------|---|
| Mr. Rewati Raman Goenka<br>Member | Non-Executive<br>Independent     | 3 |
| Mr. Gaurav Agarwala<br>Member     | Non-Executive<br>Non-Independent | 3 |

### Performance Evaluation Criteria for Independent Directors

The Nomination and Remuneration Committee inter alia, determines the performance evaluation criteria for Independent Directors on parameters such as participation and contribution by a director, effective deployment of knowledge and expertise, ability to challenge views of others in a constructive manner, integrity and maintenance of confidentiality and independence of behaviour and judgment.

The criteria and manner for evaluation of performance of Independent Directors provide certain parameters like commitment to the Company's vision, level of participation at Board/Committee Meeting, level of engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualifications and liabilities as an independent director, up-to-date knowledge / information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders' value, professional approach, providing guidance and counsel to senior management in strategic matters and rendering independent and unbiased opinion at the meetings etc., review compliance reports on applicable laws, regulations and guidelines.

Some of the specific issues and questions that are considered in the performance evaluation of an Independent Director are set out below:

| Sr. No. | Assessment Criteria   |
|---------|---|
| 1       | Attendance and participation in the board and committee meetings and timely inputs on the minutes of the meetings, including Resolutions passed by Circulation. |
| 2       | Adherence to the ethical standards & code of conduct of the Company and disclosure of non-independence, as and when it arises and disclosure of interest.       |
| 3       | Effective deployment of knowledge and constructive contribution to the issues being discussed at meetings.  |
| 4       | Effective management of interpersonal relationship with other directors, management and various stakeholders  |
| 5       | Maintenance of integrity and confidentiality of the matters discussed at the meetings.  |
| 6       | Understanding the internal and external environment in which the Company operates and contribution to strategic decision making                                 |
| 7       | Safeguarding the interest of whistle-blowers under the Vigil Mechanism.   |

## 6. REMUNERATION TO DIRECTORS

All the directors of your Company are Non-executive Director and as such, no remuneration is payable to them. In the meeting of Board, held on 08<sup>th</sup> April, 2019, the directors unanimously decided to waive off their sitting fees for all the Board and Committee Meetings to be held during the financial year 2019-20.

The remuneration paid to the Senior Management is approved by the Nomination and Remuneration Committee, the Board and the shareholders, if required. The remuneration comprises of salary, incentives, perquisites, contribution to the Provident Fund, Superannuation Fund and Gratuity.

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of three directors namely Mr. Gaurav Agarwala, Mr. Piyush Khaitan and Mr. Rewati Raman Goenka, Mr. Gaurav Agarwala, Chairman of the Committee, heads the Committee.

The Stakeholders' Relationship Committee oversees the performance of the share transfer work and recommends measures to improve the level of investor services. In addition, the Committee looks into investors' grievances such as non-receipt of dividend, Annual Reports and other complaints related to share transfers.

There were no complaints received from the shareholders during the year. There were no outstanding complaints or share transfers pending as on 31<sup>st</sup> March, 2020.

The Committee has met once on 18<sup>th</sup> April, 2019 during the financial year 2019-20 to review outstanding complaints of the shareholders for the financial year 2018-19. The Committee has again met on 30<sup>th</sup> May, 2020, to review outstanding complaints during the financial year 2019-20.

| Name of the Members               | Category                         | No. of meetings during the financial year 2019-20 |          |
|-----------------------------------|----------------------------------|---|----------|
|                                   |                                  | Held  | Attended |
| Mr. Gaurav Agarwala<br>Chairman   | Non-Executive<br>Non-Independent | 1   | 1        |
| Mr. Rewati Raman Goenka<br>Member | Non-Executive<br>Independent     | 1   | 1        |
| Mr. Piyush Khaitan<br>Member      | Non-Executive<br>Independent     | 1   | 1        |

The shareholding of Promoter/Promoter Group of the Company has been dematerialized in its entirety.

The Committee meets, as and when required, to inter-alia, deal with matters relating to transfer/transmission of shares and debentures, approve requests for issue of duplicate share/ debenture certificates, issue of new Share Certificate(s) (including for transfer to the Investor Education and Protection Fund, if any, as per the provisions of the Act and Rules framed thereunder), and monitor redressal of grievances of security holders including shareholders, investors/other security holders, relating to transfer/transmission of shares, non-receipt of Annual Report, , issue of new/duplicate certificates, general meetings, etc., review of measures taken for effective exercise of voting rights by Shareholders, review of adherence to the service standards adopted by the Company in respect of services being rendered by the Registrar & Transfer Agent (RTA), review of Annual Audit Report submitted by the independent auditors on the annual internal audit conducted on the RTA operations as mandated by SEBI, review of various measures and initiatives taken by the Company for receipt of annual reports/statutory notices by the Shareholders of the Company.

The role and terms of reference of the Committee covers the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, as applicable, besides the other terms as referred by the Board of Directors.

As per Section 178(7) of the Act and the Secretarial Standards, the Chairperson of the Committee or, in his/her absence, any other Member of the Committee authorised by him/her in this behalf shall attend the

General Meetings of the Company. Mr. Gaurav Agarwala, Chairperson of the Committee was present at the 35th Annual General Meeting of the Company held on 26th August, 2019.

## 8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility ('CSR') Committee has been constituted by the Board of Directors with powers, inter alia, to make donations/ contributions to any Charitable and/or CSR projects or programs to be implemented directly or through an executing agency or other Not for Profit Agency with minimum three years proven track record or through a Corporate Foundation or other reputed Non-Governmental Organisation, of at least two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy for the Company's CSR initiatives.

The scope of functions of the Committee includes, inter alia, the formulation and recommendation to the Board of the CSR policy for its approval and implementation, and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company.

The role of this Committee also includes recommendation of the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Act, as also to monitor the CSR Policy from time to time, etc.

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Akshay Poddar, Mr. Piyush Khaitan and Mr. Rewati Raman Goenka. Mr. Akshay Poddar serves as the Chairman of the Committee.

The CSR Committee approves the activities to be undertaken by the Company, within the purview of activities specified in the Schedule VII of the Companies Act, 2013, and also recommends the amount of expenditure to be incurred. The Committee also regularly monitors the CSR Policy and the activities undertaken by the Company. Since no CSR expenditure was required in the financial year there was no meeting of the CSR Committee held during the year and as such no corresponding report has been attached to this annual report for this financial year.

During the year the Committee did not have any meeting as the Company had no outstanding CSR requirements at the end of the financial year 2019-20.

| Name of the Members               | Category                         | No. of meetings during the financial year 2019-20 |          |
|-----------------------------------|----------------------------------|---|----------|
|                                   |                                  | Held  | Attended |
| Mr. Akshay Poddar<br>Chairman     | Non-Executive<br>Non-Independent | NIL   | NIL      |
| Mr. Rewati Raman Goenka<br>Member | Non-Executive<br>Independent     | NIL   | NIL      |
| Mr. Piyush Khaitan<br>Member      | Non-Executive<br>Independent     | NIL   | NIL      |

## 9. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are as follows:

| Year    | Location | Date       | Time       | Whether any special resolution has been passed   |
|---------|----------|------------|------------|--|
| 2016-17 | -Do-     | 16.09.2017 | 11.00 a.m  | Yes  |
| 2017-18 | -Do-     | 04.08.2018 | 10.00 a.m. | No   |
| 2018-19 | -Do-     | 26.08.2019 | 11.00 a.m  | Yes<br>1) Re-Appointment of Mr. Rewati Raman Goenka as an Independent Non-Executive Director<br>2) Re-Appointment of Mr. Piyush Khaitan as an Independent Non-Executive Director<br>3) Re-Appointment of Mr. Kunal Agarwala as an Independent Non-Executive Director |

### Postal Ballot

There was no special resolution required to be passed through postal ballot at any of the above General Meetings. None of the resolution proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

## 10. MEANS OF COMMUNICATION

The Company communicates with the Shareholders at large through its Annual Report, publication of Un-audited Financial Results in the newspapers. The Company's notice, results etc. are generally published in Financial Express/Business Standard (English edition) and Pratidin/Aajkal/Dainik Statesman/Ek Din-Kolkata (Bengali -Vernacular language). The financial results of the Company are also available on the website of the company [www.poddarheriatge.com](http://www.poddarheriatge.com).

## 11. GENERAL SHAREHOLDER INFORMATION

|                           |  |  |  |
|---------------------------|--|--|--|
| 1                         | <b>Annual General Meeting (AGM) 2020<br/>Date, Time and Venue</b>  | Wednesday, 25 <sup>th</sup> November, 2020, at 11:00 a.m. at the Registered Office of the Company at "Hongkong House", 31, B. B. D. Bagh(s), Kolkata – 700 001   |  |
| 2                         | <b>Book Closure</b>  | Tuesday, 17 <sup>th</sup> November, 2020,<br>to<br>Wednesday, 25 <sup>th</sup> November, 2020. (Both days inclusive)   |  |
| 3                         | <b>Financial Calendar for the financial year 2020-2021 (tentative - unless any extension from SEBI due to COVID-19 pandemic)</b> | Financial Year   | 01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2020 |
| First Quarter Results     |  | On or before September 15, 2020  |  |
| Half Yearly Results       |  | On or before November 14, 2020   |  |
| Third Quarter Results     |  | On or before February 14, 2021   |  |
| Audited Financial Results |  | On or before May 30, 2021  |  |
|                           | AGM  | On or before 30 <sup>th</sup> September, 2021  |  |
| 4                         | <b>Dividend Payment Date</b>   | Not Applicable   |  |
| 5                         | <b>Listing on Stock Exchange and payment of Listing Fees</b>   | <ul style="list-style-type: none"> <li>➤ <b>The Calcutta Stock Exchange Limited</b><br/>7, Lyons Range, Kolkata-700 001<br/>Scrip Code-26189</li> <li>➤ <b>The Delhi Stock Exchange Limited</b><br/>"DSE House"<br/>3/1, Asaf Ali Road, New Delhi – 110002<br/><b>(Note: SEBI vide its order WTM/PS/45/MRD/DSA/NOV/2014 dated</b></li> </ul> |  |



|    |   |   |
|----|---|---|
|    |   | <p><b>19th November, 2014 has derecognized Delhi Stock Exchange.)</b></p> <p>➤ <b>Metropolitan Stock Exchange of India Ltd. (MSEI)</b><br/> Vibgyor Towers, 4th floor,<br/> Plot No. C 62, G- Block,<br/> Opp. Trident Hotel,<br/> Bandra Kurla Complex,<br/> Bandra (E), Mumbai- 400 098</p> <p>Listing Fee has been paid up-to-date to the above stock exchanges.</p> |
| 6  | <b>Stock Code- Physical</b>   | ADVENTZSEC (MSEI)   |
|    | <b>Demat ISIN Number</b>  | INE810E01016  |
| 7  | <b>Registrar and Share Transfer Agent</b>   | M/s. Zuari Finserv Limited<br>Address: Corporate One, First Floor,<br>5, Commercial Centre<br>Jasola- New Delhi - 110025<br>Contact Personnel: Mr. Krishankant<br>Phone No.: (+91)9818501728  |
| 8  | <b>Share Transfer System</b>  | Information has been given at the end of this table   |
| 9  | <b>Distribution of shareholding as on 31<sup>st</sup> March, 2020</b>   | Information has been given at the end of this table   |
| 10 | <b>Dematerialization of shares</b>  | As on 31 <sup>st</sup> March, 2020, 71.46% of the Company's paid-up share capital representing 40,21,415 equity shares are held in demat form   |
| 11 | <b>Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity</b> | Not issued  |
| 12 | <b>Address for correspondence</b>   | Adventz Securities Enterprises Limited<br>Address : "Hongkong House"<br>31, B. B. D. Bagh (s),<br>Kolkata – 700 001<br>Phone No.: (033) 2248-8891 / 8892<br>Fax No. : (033) 2243-7215<br>Email : corp@poddarheritage.com<br>Website : www.poddarheritage.com  |

Information in respect of clause 11(8):

#### **Share Transfer System:**

The Company's shares are in compulsorily Demat trading mode in the Stock Exchanges. Shares in physical mode if lodged for transfer are processed and get returned to the shareholders within the stipulated time. Pursuant to Regulation 46 of SEBI (LODR), Regulations, 2015 Company's email id for grievance redressal purpose is [corp@poddarheritage.com](mailto:corp@poddarheritage.com) where complaints can be lodged by the investors.

The Compliance Officer of the company on basis of Scores Registration is the Company Secretary of the company. The complaints of the shareholders are to be processed through the RTA. The contact addresses of both are provided:-

#### **Registrar and Share Transfer Agents:**

**M/s. Zuari Finserv Limited**  
Address: Corporate One, First Floor,  
5, Commercial Centre  
Jasola- New Delhi - 110025  
Contact Personnel: Mr. Krishan Kant  
Phone No.: (+91)9818501728

Compliance Officer:

**Ms. Punam Singh**

Address : "Hongkong House" 31, B. B. D. Bagh

(s), Kolkata – 700 001

Phone No.: (033) 2248-8891 / 8892

Fax No. : (033) 2243-7215

Email : [corp@poddarheritage.com](mailto:corp@poddarheritage.com)

Website : [www.poddarheritage.com](http://www.poddarheritage.com)

Information in respect of clause 11(19):

**Distribution of Shareholding (as on 31.03.2020)**

|              | Category  | Number of shareholders | % of Share Holding |          |
|--------------|---|------------------------|--------------------|----------|
| A            | <b>Promoter (s) Holding</b>   |                        |                    |          |
|              | 1 Promoters   |                        |                    |          |
|              | a. Indian Promoters   | 40,21,415              | 71.46              |          |
|              | b. Foreign Promoters  | -                      | -                  |          |
|              | 2 Persons Acting in Concert   | -                      | -                  |          |
|              | <b>Sub-Total</b>  | <b>40,21,415</b>       | <b>71.46</b>       |          |
| B            | <b>Non-Promoters Holding</b>  |                        |                    |          |
|              | 3 Institutional Investors   | -                      | -                  |          |
|              | a. Mutual Funds and UTI   | -                      | -                  |          |
|              | b. Banks, Financial Institutions, Insurance Companies (Central State Govt. Institutions/Non- Government Institutions) | -                      | -                  |          |
|              | c. FIIS   | -                      | -                  |          |
|              |   | <b>Sub-Total</b>       | <b>-</b>           | <b>-</b> |
|              | 4 Others  |                        |                    |          |
|              | a. Private Corporate Bodies   | 14,07,050              | 25.00              |          |
|              | b. Indian Public  | 1,99,322               | 3.54               |          |
|              | c. NRIs / OCBs  | -                      | -                  |          |
| d. Any Other | -   | -                      |                    |          |
|              | <b>Sub-Total</b>  | <b>16,06,372</b>       | <b>28.54</b>       |          |
|              | <b>GRAND TOTAL</b>  | <b>56,27,787</b>       | <b>100.00</b>      |          |

**Distribution Schedule (as on 31.03.2020)**

| Share Holding   | Share Holder Number | %             | No. of Shares  | %             |
|-----------------|---------------------|---------------|----------------|---------------|
| 1 to 500        | 254                 | 73.41         | 78972          | 1.40          |
| 501 to 1000     | 45                  | 13.00         | 35800          | 0.64          |
| 1001 to 2000    | 4                   | 1.16          | 4750           | 0.08          |
| 2001 to 3000    | 1                   | 0.29          | 2500           | 0.04          |
| 3001 to 4000    | 1                   | 0.29          | 4000           | 0.07          |
| 4001 to 5000    | 12                  | 3.47          | 60000          | 1.07          |
| 5001 to 10000   | 5                   | 1.45          | 42500          | 0.76          |
| 10001 and above | 23                  | 6.93          | 5399265        | 95.94         |
|                 | <b>345</b>          | <b>100.00</b> | <b>5627787</b> | <b>100.00</b> |

**a. Holding Pattern as on 31.03.2020**

|          | Shareholders |        | Share   |        |
|----------|--------------|--------|---------|--------|
|          | No.          | %      | No.     | %      |
| Physical | 341          | 98.84  | 1606372 | 28.54  |
| NSDL     | 4            | 1.16   | 4021415 | 71.46  |
| CDSL     | --           | --     | --      | --     |
| TOTAL    | 345          | 100.00 | 5627787 | 100.00 |

**12. DISCLOSURES**

**a. Related party transactions**

All transactions entered into with the Related Parties during the financial year were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with Related Parties during the financial years. None of the transactions with Related Parties were in the conflict with the interest of Company.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions and the same is available on the website of the Company. (Link: <http://www.poddarheritage.com/policies/related-party-transaction-policy.pdf>)

- b.** Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2017-18, 2018-19 and 2019-20 respectively: NIL

**c. Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website. (<http://www.poddarheritage.com/policies/vigil-mechanism-whistle-blower-policy.pdf>)

- d. Adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015:** Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.

**(i) Separate posts of Chairman and CEO**

The Board has Non-executive Chairman. The day-to-day management of the Company is done by the Manager appointed as per Section 203 of the Companies Act, 2013.

**(ii) Shareholder Rights:**

The official news release and other related information, if any, are displayed on the website of the Company. These are not sent individually to the shareholders.

**(iii) Audit Qualifications:**

The audit qualifications on the Company's Financial Statements for the year ended 31st March, 2020 are self explanatory in nature and do call for any further comments.

**(iv) Reporting of Internal Auditor:**

The internal auditor has the facility to report directly to the Audit Committee as and when required.

- e. Since, the company does not have any subsidiary as on date; Policy for determining “material” subsidiary has not been adopted. The company shall adopt and implement the same, as and when required.

**f. Commodity price risk and Commodity hedging activities**

Since, the Company deals primarily in Investment in shares and securities; it is exposed to the risk of price fluctuations. The Company proactively manages its risk through constant monitoring of the stock and forward planning and research.

**g. Policy on Materiality of and Dealing with Related Party Transactions**

The Company has formulated a policy on materiality of and dealing with Related Party Transactions pursuant to the provisions of the Act and Regulation 23 of the Listing Regulations, which specify the manner of entering into Related Party Transactions. During the year under review, the Policy was amended to align it in accordance with the changes made in the Listing Regulations with respect to payment towards the brand usage or royalty.

**h. Disclosure of Accounting Treatment in Preparation of Financial Statements**

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (‘IND AS’) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies in accordance with the RBI Notification. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

**13. COMPLIANCES WITH GOVERNANCE FRAMEWORK**

The Company has complied with all the Corporate Governance requirements under Regulation 17 to 27 and relevant clauses of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

**14. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

None of the shares of the Company are in Demat Suspense/ Unclaimed Suspense Account.

**15. CEO/CFO CERTIFICATE**

Mr. Devendra Khemka, Manager cum Chief Financial Officer of the Company, has certified to the Board the particulars as stipulated vide Regulation 17(8) of the SEBI Listing Regulations, read with Part-B of Schedule II of the said Regulations.

**16. COMPLIANCE CERTIFICATE**

The Company has obtained a Certificate from CS A. K. Labh, Practising Company Secretary of M/s A. K. Labh & Co., Company Secretaries regarding compliance of Corporate Governance as stipulated in SEBI Listing Regulations.

## **17. CERTIFICATE FOR NON DISQUALIFICATION OF DIRECTORS**

The Company has obtained a Certificate from CS A. K. Labh, Practising Company Secretary of M/s A. K. Labh & Co., Company Secretaries regarding compliance of non-disqualification of all the Directors on the Board of the Company Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and is attached as an Annexure to this Report.

## **18. CREDIT RATING**

The Company has not obtained any credit rating for the financial year 2019-20.

### **Registered Office:**

CIN: L36993WB1995PLC069510

Hongkong House

31, B. B. D. Bagh(s)

Kolkata – 700 001

Phone: 033- 2248 8891

Fax: 033- 2243 7215

Email: [corp@poddarheritage.com](mailto:corp@poddarheritage.com)

Website: [www.poddarheritage.com](http://www.poddarheritage.com)

For and on behalf of the Board  
**For Adventz Securities Enterprises Limited**

**Gaurav Agarwala**

**Director**

**DIN: 00201469**

**Piyush Khaitan**

**Director**

**DIN: 00348151**

**Dated: 29<sup>th</sup> October, 2020**

# **Management Discussions and Analysis Report**

*Annexure to the Directors' Report for the year ended 31<sup>st</sup> March, 2020*

## **Industry outlook,**

### **Indian Economy, COVID-19 pandemic and lockdown**

India has a diversified financial sector which is undergoing rapid expansion with many new entities entering the market. The sector comprises commercial banks, insurance companies, NBFCs, housing finance companies, co-operatives, pension funds, mutual funds and other smaller financial entities. India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities.. The country's financial services sector consists of the capital markets, insurance sector and non-banking financial companies (NBFCs). India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.50 per cent in 2019.

The RBI's continued focus on financial inclusion has expanded the target market to semi-urban and rural areas. NBFCs, especially those catering to the urban and rural through Non-Banking Financial Company Micro Finance Institutions (NBFC-MFIs) and asset finance companies, have a complementary role in the financial inclusion agenda of the country.

Over the past few years, NBFCs have undergone a significant transformation and today they form an important component of India's financial system. Playing a critical role in the development of infrastructure, transport and employment generation, NBFCs are changing the business loan landscape in the country. Most NBFCs, leverage alternative and tech-driven credit appraisal methodologies to assess the credit worthiness of prospective borrowers.

Over the past few years, NBFCs have undergone a significant transformation and today they form an important component of India's financial system. Playing a critical role in the development of infrastructure, transport and employment generation, NBFCs are changing the business loan landscape in the country. Most NBFCs, leverage alternative and tech-driven credit appraisal methodologies to assess the credit worthiness of prospective borrowers.

NBFC sector plays important role in financial inclusion by meeting credit needs of retail and MSME sector. The AFCs, LCs and ICs were merged into new category called 'Investment and Credit Company (NBFC-ICC). As per RBI regulations, NBFCs with minimum Net Owned Funds of Rs. 200 lakhs are only allowed to operate. This resulted into a significant reduction in number of NBFCs in India.

After the COVID-19 impact gradually tapers off, the financial services sector is poised to grow eventually on the back of strong fundamentals, adequate liquidity in the economy, significant government and regulatory support, and the increasing pace of digital adoption. In fact, digital transactions will play a larger role in the financial eco-system than hitherto witnessed.

The Covid-19 outbreak and the ensuing lockdown has hurt almost all industries in India. Since the past two years, several non-banking financial companies (NBFC) in India have been dealing with one bad news after another, including cash crunch, high cost of capital, and burgeoning bad loans. In a recent report, Moody's in its recent report said the inability of borrowers to repay loans amid the Covid-19 crisis coupled with a six-month moratorium on repayment allowed by India's central bank will lead to a disruption of inflow for

NBFCs even as outflow will have to continue. (<https://qz.com/india/1860466/how-indias-nbfc-crisis-deepened-from-ilfs-defaults-to-covid-19/>)

### **NBFC Sector, RBI and Union Budget**

2018 was a blowout year for Non-Banking Finance Companies (NBFC) on all counts. In their bid to step into the space vacated by capital constrained Public Sector Banks (PSBs), NBFCs went on a reckless credit expansion, without taking into account the asset-liability scenario

The situation has changed since then, with some of the measures taken by the Government, stopping the crisis developing into a contagion and spilling over to other sectors. However, NBFCs will take most of this baggage into the coming years, as the ground reality remains more or less same, as was in 2018. On the whole, the outlook for the sector for the next year is still looking weak. Disruptions caused by the covid-19 pandemic will lead to further deterioration in asset quality of non-bank financiers, a segment that is more exposed to the downturn than banks.

Although the NBFC sector grew in size, the pace of expansion was lower than in earlier years mainly due to rating downgrades and liquidity stress in a few large NBFCs in the aftermath of the a large NBFC committing default interest payment and loan repayment obligation to banks and security holders.

Industry is the largest recipient of credit provided by the NBFC sector, followed by retail loans and services. Credit to industry and services was subdued in relation to the previous year. However, growth in retail loans continued its momentum.

The Reserve Bank of India (RBI) had earlier eased risk weight norms to increase credit flow to NBFCs. The banks are now required to assign differential risk-weights to their exposures to NBFCs based on ratings assigned by credit rating agencies, as against the existing practice of a uniform risk weight of 100%. The move is aimed at not only freeing up capital for banks for further lending but also slash borrowing costs for well-rated NBFCs, which have been grappling with a systemic liquidity crisis triggered by a series of defaults by a large prominent financial institution and its subsidiaries.

According to the rating agency, NBFCs are more exposed than banks to the coronavirus-led downturn, given their focus on riskier segments, and in particular corporates and the real estate sector which were facing liquidity constraints even before the outbreak.

Funding costs are higher for NBFCs than banks because they lack access to low-cost retail deposits and therefore need to earn higher asset yields by focusing more on riskier borrowers. The weakening solvency of NFBCs will also increase pressure at banks at a time when risks to systemic stability are already elevated following the Yes Bank default, which triggered deposit outflows at some smaller banks

### **Opportunities and Threats**

The NBFC sector has been in a crisis set off by the shock collapse of non-bank lender group in earlier years. The current operating environment has resulted in three major limiting implications affecting sustainability and denting business growth:

- liquidity crunch due to cautionary approach by banks and mutual funds – the largest source of funds for NBFCs.
- high cost of borrowing from alternate liquidity channels leading to margin pressures.
- deterioration in asset quality with stress in the infrastructure finance and micro-finance sector, contributing to higher NPAs.

According to Care Ratings, NBFCs' borrowing profile has changed significantly from capital market instruments to bank borrowings. Banks lending to NBFCs registered a in the current period.

India Ratings and Research (Ind-Ra) expects consolidation within the NBFC space leading to players with market leadership, operations in niche business segments, proven track record and limited overlap with banks in borrower profile, gaining the market share. Managing asset quality is likely to gain prominence over loan growth in the current year, as the major asset classes funded by non-banks face strong headwinds. Ind-Ra expects NBFCs to grow their portfolio in 2020-21, and the growth would be driven by retail-focused NBFCs with a long track record and an established franchise. The slowdown in auto sales, cash flow challenges for small businesses and sluggishness in real estate sector would keep the collection and recovery teams active.

However for investment NBFCs this is a great opportunity as despite massive volatility in the markets due to the ongoing COVID-19 crisis. The Companies are showing positive signs of recovery in the next few years.

### **Segment-Wise Performance**

Your Company has operated in one segment during the financial year 2019-20, hence segment reporting has not been given.

### **Risk and Concern (COVID-19 Impact on the NBFC sector)**

The Company recognizes that Risk Management is an integral part of sound management practice and good corporate governance, as it improves decision making and enhances outcomes and accountability. The Management has thus, always been proactive in handling foreseeable risks. The latest regulatory crisis has been a wake-up call. People who have been trying to work on the edge in terms of liquidity or in terms of managing their cost of funds have got a wakeup call and hopefully some balance will be achieved. The experience and knowledge of the industry has also helped your Company to handle unpredicted risks and challenges, faced due to changing economic situations and regulations.

Retail financing industry, which was one of the key drivers of credit growth, will be impacted for at least two quarters, as the demand for housing assets, consumer goods and working capital financing will get hit due to general slowdown in economic activity.

There is a risk of defaults and insolvencies unless the regulatory framework is modified urgently to address the unprecedented challenge.

Uncertainty on the potential credit loss in portfolios will result in lower securitisation deals thus impacting the fund-raising ability of NBFCs.

NBFCs will have to strike the right balance between continuity of repayment of cash flows vis-à-vis extending the three-month moratorium to the eligible borrowers.

Auto and auto-ancillary, aviation, travel and hospitality, retail and consumer durables, real estate and construction are likely to be stressed.

The actual impact is still difficult to predict, and it will depend upon the time frame required to curb the pandemic and the various relief measures, which the government is expected to roll out. The NBFC/ HFC sector, which has managed to sustain amid a challenging funding scenario by taking various mitigating steps, will now have to weather the COVID-19 disruption. While the sector remains fairly well-capitalised, the trend in delinquencies in retail asset classes will be a key factor to monitor for the sector over the next few quarters, along with resource mobilisation capabilities.



## **Outlook**

After all the negative narrative above, NBFCs will still play a critical role in ensuring capital to a vast array of consumers.

The RBI has requested lending Banks to give moratorium to their borrowers for payment of principal and interest with relaxation on their classification as a non-performing asset or a restructured asset. This has been implemented to help borrowers tide over temporary financial difficulties. However, banks will have to identify and monitor the borrowers who are facing temporary and long-term financial difficulties

Due to significant change in the market conditions, corporates may have to revisit their business model assessment for their existing financial instruments. In case the sale of loans or investments is due to an increase in credit risk, then it would be consistent with the business model objective hold to collect as the credit quality of financial assets is relevant to the entity's ability to collect contractual cash flows and the sale is triggered due to significant deterioration in the market condition or counterparty specific credit risks problem. However, the entity may have to assess the business model of such financial assets/ instruments which it plans to sell.

Given the current crisis and its impact on capital markets and businesses across, banks and NBFCs will face clients who are potentially experiencing stressed financial conditions, including deterioration of their credit ratings and credit quality. In certain cases, there is a likeliness of borrowers to breach certain covenants linked to ratios like the current ratio, profitability ratios, return on equity (ROE), debt coverage ratios, etc. In some cases, the covenants breach could lead to classification of a loan as a non-performing asset.

India has a huge proportion of un-banked and underbanked consumers and businesses. Hence, there is a lot of potential for NBFCs, which can still be tapped for future growth. The NBFCs and HFCs are being recognised as being vital for the growth of Indian economy. NBFCs are here to stay and play an important role in economic growth and financial inclusion. As India's economy grows, the requirement for credit will rise more than proportionately. We need both banks and NBFCs to rise to the occasion and power the economy with freeflowing credit lines. NBFCs with robust business models, strong liquidity mechanisms and governance & risk management standards are poised to reap the benefit of the market opportunity.

NBFCs that are well prepared with their business continuity and contingency plans can quickly bounce back in the post COVID-19 era. With proper planning and strategic initiatives, NBFCs can limit and overcome the impact of this disruption.

## **Discussion on financial performance with respect to operational performance**

The following are the significant areas of financial performance during the year under review:

- ❖ Revenue from operation was Rs. 3834.49 Lakhs during the year as compared to Rs. 295.36 Lakhs during the previous year.
- ❖ No Finance Cost incurred was incurred during the year as compared to Rs. 272.42 Lakhs during the previous year.
- ❖ The Company has seen a significant increase in revenue from operations during this financial year owing to the sale of shares.

### Key financial ratio with explanations

|                                 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | % change      |
|---------------------------------|-----------------------------|-----------------------------|---------------|
| <b>Debt to Equity Ratio</b>     | <b>4.42</b>                 | <b>10.65</b>                | <b>-58.50</b> |
| <b>Assets to turnover Ratio</b> | <b>0.04</b>                 | <b>0.02</b>                 | <b>100</b>    |
| <b>Return on Equity Ratio</b>   | <b>2.52</b>                 | <b>-2.42</b>                | <b>204.13</b> |

The Company has a reduced borrowing to be shown in the balance sheet during the financial year and has thus seen a significant decrease in its current liabilities.

The Company has an increased revenue as compared to last year due to the sale of shares which has increased which has generated a comparatively much higher income.

The Company has registered a profit in their books as compared to loss in the last financial year which has resulted an increase in the return on equity.

### Change in Return on Net Worth with explanation

The revenue from operations of the Company has seen a significant increase in the current financial year which has boosted the net profit of the Company and thus the Net Worth of the Company has increased from -2.42 to 2.52 which makes for an approximate 204.13% change for the positive return on network.

### Internal Control and System

The Company has been taking continuous steps to upgrade the system of internal audit to make the same contemporary and relevant with the changes in the Business and the environment in which the Company operates.

### Cautionary Statement:

Details given here in above relating to various activities and future plans may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual performance may differ from those expressed or implied.

### Registered Office:

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Website: [www.poddarheritage.com](http://www.poddarheritage.com)

For and on behalf of the Board  
**For Adventz Securities Enterprises Limited**

**Gaurav Agarwala**  
**Director**  
**DIN: 00201469**

**Piyush Khaitan**  
**Director**  
**DIN: 00348151**

**Dated: 29<sup>th</sup> October, 2020**

**Certificate**

***To the Members of Adventz Securities Enterprises Limited***

We have examined the compliance of conditions of Corporate Governance by ***Adventz Securities Enterprises Limited*** (“the Company”) in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”) for the year ended 31.03.2020.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A. K. LABH & Co.**  
***Company Secretaries***

**( CS A. K. LABH )**  
***Practicing Company Secretary***  
***FCS – 4848 / CP No - 3238***  
***UDIN: F004848B001099623***

**Place : Kolkata**  
**Dated : 29th October, 2020**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,  
The Members of  
Adventz Securities Enterprises Limited**

Hongkong House  
31, B. B. D. Bagh (S)  
Kolkata – 700001  
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Adventz Securities Enterprises Limited** having CIN : L36993WB1995PLC069510 and having registered office at Hongkong House, 31, B. B. D. Bagh (S), Kolkata – 700001, West Bengal (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| <b>Sr. No.</b> | <b>Name of Director</b> | <b>DIN</b> | <b>Date of appointment in Company</b> |
|----------------|-------------------------|------------|---------------------------------------|
| 1.             | Akshay Poddar           | 00008686   | 28.04.2001                            |
| 2.             | Gaurav Agarwala         | 00201469   | 22.03.2000                            |
| 3.             | Piyush Khaitan          | 00348151   | 30.06.2000                            |
| 4.             | Rewati Raman Goenka     | 00375716   | 12.12.2006                            |
| 5.             | Shradha Agarwala        | 01203800   | 13.02.2020                            |
| 6.             | Kunal Agarwala          | 01205229   | 04.03.2013                            |
| 7.             | Puja Poddar             | 05333989   | 22.06.2012                            |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata

Date : 29th October, 2020

Name : Atul Kumar Labh

Membership No. : FCS 4848

CP No. : 3238

UDIN : F004848B001099678

**CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY**

This is to confirm that a Code of Conduct for the Board Members and Senior Management Personnel of the Company has been adopted by the Board and the same was also circulated and posted on the Website of the Company. The Company received affirmation for compliance of the Code from the persons concerned for the Financial Year ended 31<sup>st</sup> March, 2020, and the same has also been noted by the Board.

**Place:** Kolkata

**Dated:** 29<sup>th</sup> October, 2020

**Rewati Raman Goenka**

**Chairman**

**DIN: 00375716**

**Dated: 10<sup>th</sup> July, 2020**

**The Board of Directors,**

Adventz Securities Enterprises Limited  
31, B. B. D. Bagh (S),  
Kolkata – 700 001

Dear Sirs,

In compliance of and Regulation 17(8) of SEBI (LODR), Regulations, 2015, I do hereby confirm and certify the following in connection with the financial results of the Company for the year ended 31<sup>st</sup> March, 2020, that :

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be missing;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee :
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there are no instances of significant fraud and no involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

Yours truly,

For **ADVENTZ SECURITIES ENTERPRISES LIMITED**

**(Devendra Khemka)**

Manager and Chief Financial Officer

**ICAI Membership No. - 057158**

**STATEMENT OF PARTICULARS AS PER RULE 5 OF THE COMPANIES*****Annexure to the Directors' Report for the year ended 31<sup>st</sup> March, 2020***

Pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016

**(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company or the financial year**

| Serial No. | Name of Director                           | Category                                   | Ratio of the remuneration of each director to the median remuneration of the employees |
|------------|--|--|--|
| 1.         | Mr. Akshay Poddar                          | Non- Executive<br>Non-Independent Director | NIL  |
| 2.         | Mrs. Puja Poddar*                          | Non- Executive<br>Non-Independent Director | NIL  |
| 3.         | Mr. Guarav Agarwala                        | Non- Executive<br>Non-Independent Director | NIL  |
| 4.         | Mr. Rewati Raman Goenka                    | Independent Director                       | NIL  |
| 5.         | Mr. Piyush Khaitan<br>Independent Director | Independent Director                       | NIL  |
| 6.         | Mr. Kunal Agarwala                         | Independent Director                       | NIL  |
| 7.         | Mrs. Shradha Agarwala**                    | Non- Executive<br>Non-Independent Director | NIL  |

(Note: All the directors of your Company are Non-executive Director and as such, no remuneration is payable to them)

**(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

| Serial No. | Name of Director        | Category                                   | Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year |
|------------|-------------------------|--|---|
| 1.         | Mr. Akshay Poddar       | Non- Executive<br>Non-Independent Director | NIL   |
| 2.         | Mrs. Puja Poddar*       | Non- Executive<br>Non-Independent Director | NIL   |
| 3.         | Mr. Guarav Agarwala     | Non- Executive<br>Non-Independent Director | NIL   |
| 4.         | Mr. Rewati Raman Goenka | Independent Director                       | NIL   |
| 5.         | Mr. Piyush Khaitan      | Independent Director                       | NIL   |
| 6.         | Mr. Kunal Agarwala      | Independent Director                       | NIL   |
| 7.         | Mrs. Shradha Agarwala** | Non- Executive<br>Non-Independent Director | NIL   |
| 8.         | Mr. Devendra Khemka     | Chief Financial Officer/Manager            | 11.30 %   |

|    |                 |                   |         |
|----|-----------------|-------------------|---------|
| 9. | Ms. Punam Singh | Company Secretary | 11.19 % |
|----|-----------------|-------------------|---------|

\* Resigned from the Board of Directors w.e.f. 15.09.2020

\*\* Appointed as an additional Director on board w.e.f. 13.02.2020

**(iii) The percentage increase in the median remuneration of employees in the financial year**

11.59 %

**(iv) The number of permanent employees on the rolls of company:**

4 (Four)

**(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Other than Managerial Personnel and KMP the employees of the Company were given increment on an average of 12.85 %

The KMP of the Company were given an increment, on an average of 11.29 % in the financial year 2019-20.

**(vi) The Remuneration paid to KMP is as per the Remuneration policy of the Company.**

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For and on behalf of the Board  
**For Adventz Securities Enterprises Limited**

**Gaurav Agarwala**

**Director**

**DIN: 00201469**

**Piyush Khaitan**

**Director**

**DIN: 00348151**

**Dated: 29<sup>th</sup> October, 2020**



**STATEMENT OF PARTICULARS AS PER RULE 5 OF THE COMPANIES**

***Annexure to the Directors' Report for the year ended 31<sup>st</sup> March, 2020***

Pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Name                    | Designation       | Age (Years) | Remuneration (In Lakhs) | Qualification        | Experience (Years) | Date of Commencement of Employment | Previous Employment                 |
|-------------------------|-------------------|-------------|-------------------------|----------------------|--------------------|------------------------------------|-------------------------------------|
| Mr. Devendra Khemka     | CFO & Manager     | 51          | 52.50                   | Chartered Accountant | 27                 | 01 <sup>st</sup> April, 2009       | Poddar Heritage Investments Limited |
| Ms. Punam Singh         | Company Secretary | 34          | 6.25                    | BA.LLB & CS          | 7                  | 01 <sup>st</sup> March, 2015       |                                     |
| Mr. Arun Kumar Sharma   | Accounts Officer  | 39          | 7.39                    | B.Com                | 14                 | 14 <sup>th</sup> July, 2010        | Wires & Fabriks (SA) Limited        |
| Mr. Bihari Lal Kanoongo | Accounts Officer  | 70          | 6.87                    | B.Com                | 47                 | 01 <sup>st</sup> April, 2000       | Poddar Services Limited             |

**Registered Office:**

CIN: L36993WB1995PLC069510

Hongkong House

31, B. B. D. Bagh(s)

Kolkata – 700 001

Phone: 033- 2248 8891

Fax: 033- 2243 7215

Email: [corp@poddarheritage.com](mailto:corp@poddarheritage.com)

Website: [www.poddarheritage.com](http://www.poddarheritage.com)

For and on behalf of the Board

**For Adventz Securities Enterprises Limited**

**Gaurav Agarwala**

**Director**

**DIN: 00201469**

**Piyush Khaitan**

**Director**

**DIN: 00348151**

**Dated: 29<sup>th</sup> October, 2020**

**FORM AOC-I**

***Annexure to the Directors' Report for the year ended 31<sup>st</sup> March, 2020***

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts)  
Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint  
ventures

**Part A: Subsidiaries**

**(Information in respect of each subsidiary to be presented with amounts in Rs.)**

| <b><u>PARTICULARS</u></b> |  | <b><u>DETAILS</u></b> |
|---------------------------|--|-----------------------|
| 1.                        | Sl. No.  | N.A.                  |
| 2.                        | Name of the Subsidiary   | N.A.                  |
| 3.                        | The date since when subsidiary was acquired  | N.A.                  |
| 4.                        | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | N.A.                  |
| 5.                        | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries- | N.A.                  |
| 6.                        | Share capital  | N.A.                  |
| 7.                        | Reserves & surplus   | N.A.                  |
| 8.                        | Total assets   | N.A.                  |
| 9.                        | Total Liabilities  | N.A.                  |
| 10.                       | Investments  | N.A.                  |
| 11.                       | Turnover   | N.A.                  |
| 12.                       | Profit before taxation   | N.A.                  |
| 13.                       | Provision for taxation   | N.A.                  |
| 14.                       | Profit after taxation  | N.A.                  |
| 15.                       | Proposed Dividend  | N.A.                  |
| 16.                       | % of Shareholding  | N.A.                  |

**Notes: The following information shall be furnished at the end of the statement:**

|    |  |     |
|----|--|-----|
| 1. | Names of subsidiaries which are yet to commence operations               | NIL |
| 2. | Names of subsidiaries which have been liquidated or sold during the year | NIL |

**Part B: Associates and Joint Ventures**

| <b><u>PARTICULARS</u></b> |  | <b><u>DETAILS</u></b>               |                    |
|---------------------------|--|-------------------------------------|--------------------|
| 1.                        | Name of the Associate  | Adventz Finance Private Limited     |                    |
| 2.                        | Latest Balance Sheet Date  | March 31, 2020                      |                    |
| 3.                        | Date on which the Associate or Joint Venture was associated or acquired  | w.e.f. 01 <sup>st</sup> April, 2013 |                    |
| 4.                        | Shares of Associate or Joint Venture held by the company on the year end |                                     |                    |
|                           | a.   | No.                                 | 1,29,26,745        |
|                           | b.   | Amount of Investment in Associate   | Rs. 39,96,09,417/- |
|                           | c.   | Extend of Holding %                 | 26%                |

|    |  |  |
|----|--|--|
| 5. | Description of how there is significant influence                          | Significant influence is exercised through equity shareholding |
| 6. | Reason why the Associate/ Joint Venture is not Consolidated                | N.A.   |
| 7. | Net worth attributable to Shareholding as per latest audited Balance sheet | Rs. 3,44,33,70,328/-   |
| 8. | Profit/Loss for the year   |  |
|    | i. Considered in Consolidation   | Rs -71,38,48,066/-   |
|    | ii. Not Considered in Consolidation  | Rs. -1,44,37,51,903/-  |

|    |  |     |
|----|--|-----|
| 1. | Names of associates or joint ventures which are yet to commence operations               | NIL |
| 2. | Names of associates or joint ventures which have been liquidated or sold during the year | NIL |

**Registered Office:**

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31, B. B. D. Bagh(s)  
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Website: www.poddarheritage.com

For and on behalf of the Board  
**For Adventz Securities Enterprises Limited**

**Gaurav Agarwala**  
**Director**  
**DIN: 00201469**

**Piyush Khaitan**  
**Director**  
**DIN: 00348151**

**Dated: 29<sup>th</sup> October, 2020**

**Devendra Khemka**  
**Chief Financial Officer**

**Punam Singh**  
**Company Secretary**  
**ACS No: A38649**

## **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2020

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To**  
**The Members,**  
**Adventz Securities Enterprises Limited**  
Hongkong House  
31, B. B. D. Bagh (S)  
Kolkata – 700001  
West Bengal

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Adventz Securities Enterprises Limited** having its Registered Office at Hongkong House, 31, B. B. D. Bagh (S), Kolkata – 700001, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

### **Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

I have relied upon the accuracy of the documents and information as shared by the Company with me through appropriate Information Technology tools to assist me in completing the secretarial audit work during lock down period due to unprecedented situation prevailing in the Country due to CoVID-19 virus pandemic and the same is subject to physical verification by me post normalization of the situation.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

***I report that,*** I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2020 according to the provisions of (*as amended*) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

***I further report that,*** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Reserve Bank of India Act, 1934 (pertaining to NBFC matters) to the extent of their applicability to the Company during the financial year ended 31.03.2020 and my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws; including general laws, labour laws, competition law, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

**I further report that :**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that :**

- (a) In the light of heightened concern on spread of COVID-19 across the nation and as per the notifications issued by the Central / State Government(s), the Company had temporarily shut down its Office at Kolkata and moved to Work from Home Policy for all its office employees. However, the Company had partially resumed its operations with restrictive attendance after 17th May, 2020 with due permission of the local district authorities as applicable and in accordance with the guidelines stipulated by the Ministry of Home Affairs of the Government of India and the local authorities.

**(CS ASIT KUMAR LABH)**  
**Practicing Company Secretary**  
**ACS - 32891 / CP No. - 14664**  
**UDIN: A032891B001091740**

**Place: Kolkata**  
**Dated: 29th October, 2020**

| FORM NO. MGT 9   |  |  |                  |                                |   |                  |                                    |                    |                          |  |
|--|--|--|------------------|--------------------------------|---|------------------|------------------------------------|--------------------|--------------------------|--|
| Annexure to the Directors' Report for the year ended 31 <sup>st</sup> March, 2020  |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| EXTRACT OF ANNUAL RETURN   |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| as on financial year ended on 31.03.2020   |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014. |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| <b>I REGISTRATION &amp; OTHER DETAILS:</b>   |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| i  | CIN  | L36993WB1995PLC069510  |                  |                                |   |                  |                                    |                    |                          |  |
| ii   | Date of Incorporation  | 16-Mar-95  |                  |                                |   |                  |                                    |                    |                          |  |
| iii  | Name of the Company  | Adventz Securities Enterprises Limited   |                  |                                |   |                  |                                    |                    |                          |  |
| iv   | Category/Sub-category of the   | Company having Share Capital   |                  |                                |   |                  |                                    |                    |                          |  |
| v  | Address of the Registered office & contact details                         | "Hongkong House"<br>31, B.B.D. Bagh (South)<br>Kolkata - 700001<br>Phone -033 -2248 8891   |                  |                                |   |                  |                                    |                    |                          |  |
| vi   | Whether listed company   | Yes  |                  |                                |   |                  |                                    |                    |                          |  |
| vii  | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Zuari Finserv Limited<br>Corporate One, First Floor, 5 Commercial Centre<br>Jasola- New Delhi - 110025<br>Contact Personnel: Mr. Krishankant<br>Phone No.: (+91)9818501728 |                  |                                |   |                  |                                    |                    |                          |  |
| <b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>   |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| All the business activities contributing 10% or more of the total turnover of the company shall be stated                      |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| SL No  | Name & Description of main   | NIC Code of the Product /service   |                  |                                |   |                  | % to total turnover of the company |                    |                          |  |
| 1  | Investments Activity   | 643  |                  |                                |   |                  | 99.93                              |                    |                          |  |
| <b>III PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>  |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| SI No  | Name & Address of the Company  | CIN/GLN  |                  | Holding/ Subsidiary/ Associate |   | % of shares held |                                    | Applicable Section |                          |  |
| 1  | Adventz Finance Pvt Ltd  | U65993WB1996PTC079012  |                  | Holding                        |   | 64.55%           |                                    | 2(87)(ii)          |                          |  |
| <b>IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)</b>  |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| Category of Shareholders   | No. of Shares held at the beginning of the year                            |  |                  |                                | No. of Shares held at the end of the year |                  |                                    |                    | % change during the year |  |
|  | Demat  | Physical   | Total            | % of Total Shares              | Demat                                     | Physical         | Total                              | % of Total         |                          |  |
| <b>A. Promoters</b>  |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| (1) Indian   |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| a) Individual/HUF  | 3,61,110   | -  | 3,61,110         | 6.42                           | 3,61,110                                  | -                | 3,61,110                           | 6.42               | -                        |  |
| b) Central Govt.or   | -  | -  | -                | -                              | -   | -                | -                                  | -                  | -                        |  |
| c) Bodies of Corporates  | 36,32,528  | -  | 36,32,528        | 64.55                          | 36,32,528                                 | -                | 36,32,528                          | 64.55              | -                        |  |
| d) Bank/FI   | -  | -  | -                | -                              | -   | -                | -                                  | -                  | -                        |  |
| e) Any other   | 27,777   | -  | 27,777           | 0.49                           | 27,777                                    | -                | 27,777                             | 0.49               | -                        |  |
| <b>SUB TOTAL: (A)</b>  |  |  |                  |                                |   |                  |                                    |                    |                          |  |
| <b>(1)</b>   | <b>40,21,415</b>   | <b>-</b>   | <b>40,21,415</b> | <b>71.46</b>                   | <b>40,21,415</b>                          | <b>-</b>         | <b>40,21,415</b>                   | <b>71.46</b>       | <b>-</b>                 |  |

|   |                  |                  |                  |               |                  |                  |                  |               |   |
|---|------------------|------------------|------------------|---------------|------------------|------------------|------------------|---------------|---|
| <b>(2) Foreign</b>  |                  |                  |                  |               |                  |                  |                  |               |   |
| a) NRI-Individuals  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| b) Other Individuals  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| c) Bodies Corp.   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| d) Banks/FI   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| e) Any other...   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| <b>SUB TOTAL (A) (2)</b>  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| <b>Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                                  | <b>40,21,415</b> | -                | <b>40,21,415</b> | <b>71.46</b>  | <b>40,21,415</b> | -                | <b>40,21,415</b> | <b>71.46</b>  | - |
| <b>B. PUBLIC SHAREHOLDIN</b>  |                  |                  |                  |               |                  |                  |                  |               |   |
| <b>(1) Institutions</b>   |                  |                  |                  |               |                  |                  |                  |               |   |
| a) Mutual Funds   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| b) Banks/FI   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| c) Central govt   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| d) State Govt.  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| e) Venture Capital Fund   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| f) Insurance Companies  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| g) FIIS   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| h) Foreign Venture (specify)  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| <b>SUB TOTAL (B)(1):</b>  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| <b>(2) Non Institutions</b>   |                  |                  |                  |               |                  |                  |                  |               |   |
| a) Bodies corporates  | -                | 14,07,050        | 14,07,050        | 25.00         | -                | 14,07,050        | 14,07,050        | 25.00         | - |
| i) Indian   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| ii) Overseas  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| b) Individuals  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs            | -                | 1,39,322         | 1,39,322         | 2.48          | -                | 1,39,322         | 1,39,322         | 2.48          | - |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | -                | 60,000           | 60,000           | 1.07          | -                | 60,000           | 60,000           | 1.07          | - |
| c) Others (specify)   | -                | -                | -                | -             | -                | -                | -                | -             | - |
| <b>(B)(2):</b>  | -                | <b>16,06,372</b> | <b>16,06,372</b> | <b>28.54</b>  | -                | <b>16,06,372</b> | <b>16,06,372</b> | <b>28.54</b>  | - |
| <b>Total Public Shareholding (B)=</b>   | -                | <b>16,06,372</b> | <b>16,06,372</b> | <b>28.54</b>  | -                | <b>16,06,372</b> | <b>16,06,372</b> | <b>28.54</b>  | - |
| <b>C. Shares held by Custodian for</b>  | -                | -                | -                | -             | -                | -                | -                | -             | - |
| <b>Grand Total (A+B+C)</b>  | -                | <b>56,27,787</b> | <b>56,27,787</b> | <b>100.00</b> | <b>40,21,415</b> | <b>16,06,372</b> | <b>16,06,372</b> | <b>100.00</b> | - |



| (ii) SHARE HOLDING OF PROMOTERS  |  |   |                                  |  |                                     |                                  |  |                                      |
|--|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--------------------------------------|
| SI No.   | Shareholders Name  | Shareholding at the beginning of the year   |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the |
|  |  | NO of shares  | % of total shares of the company | % of shares pledged encumbered to total shares | NO of shares                        | % of total shares of the company | % of shares pledged encumbered to total shares |                                      |
| 1  | Mr. Saroj Kumar Poddar   | 1,38,888  | 2.47                             | -  | 1,38,888                            | 2.47                             | -  | NIL                                  |
|  | Mr. Saroj Kumar Poddar as Karta of Saroj & Co.   | 2,22,222  | 3.95                             |  | 2,22,222                            | 3.95                             |  |                                      |
| 2  | Jyotsna Poddar as a Partner of Poddar Heritage Enterprises Limited (Partnership Firm)  | 27,777  | 0.49                             | -  | 27,777                              | 0.49                             | -  |                                      |
| 3  | M/s Adventz Finance Pvt Ltd  | 36,32,528   | 64.55                            | -  | 36,32,528                           | 64.55                            | -  |                                      |
|  | <b>Total</b>   | <b>40,21,415</b>  | <b>71.46</b>                     | <b>-</b>                                       | <b>40,21,415</b>                    | <b>71.46</b>                     | <b>-</b>                                       |                                      |
| (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)                                     |  |   |                                  |  |                                     |                                  |  |                                      |
| SI. No   |  | Shareholding at the end of the year   |                                  | Cumulative Shareholding during the year        |                                     |                                  |  |                                      |
|  |  | No. of shares   | % of total shares of the company | No of shares                                   | % of total shares of the company    |                                  |  |                                      |
|  | At the beginning of the year   | There is no change in Promoter's Shareholding between 01/04/2019 and 31/03/2020                         |                                  |  |                                     |                                  |  |                                      |
|  | Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)  |   |                                  |  |                                     |                                  |  |                                      |
|  | At the end of the year   |   |                                  |  |                                     |                                  |  |                                      |
| (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) |  |   |                                  |  |                                     |                                  |  |                                      |
| SI. No   |  | Shareholding at the end of the year   |                                  | Cumulative Shareholding during the year        |                                     |                                  |  |                                      |
|  |  | No. of shares   | % of total shares of the company | No of shares                                   | % of total shares of the company    |                                  |  |                                      |
|  | <b>For Each of the Top 10 Shareholders</b>   |   |                                  |  |                                     |                                  |  |                                      |
| 1  | Poddar Projects Limited  | 3,96,000  | 7.04                             | 3,96,000                                       | 7.04                                |                                  |  |                                      |
| 2  | 21st Century Exports Ltd   | 2,45,000  | 4.35                             | 2,45,000                                       | 4.35                                |                                  |  |                                      |
| 3  | Perfect Properties Pvt Ltd   | 1,00,000  | 1.78                             | 1,00,000                                       | 1.78                                |                                  |  |                                      |
| 4  | S. L. Properties Pvt Ltd   | 1,00,000  | 1.78                             | 1,00,000                                       | 1.78                                |                                  |  |                                      |
| 5  | Savitri Commercials Pvt Ltd  | 92,500  | 1.64                             | 1,00,000                                       | 1.64                                |                                  |  |                                      |
| 6  | Wimco Credit & Commercial Pvt Ltd  | 74,350  | 1.32                             | 74,350   | 1.32                                |                                  |  |                                      |
| 7  | Monotype Vinimay Pvt Ltd   | 90,000  | 1.60                             | 90,000   | 1.60                                |                                  |  |                                      |
| 8  | Om Shree Finance Ltd   | 77,500  | 1.38                             | 77,500   | 1.38                                |                                  |  |                                      |
| 9  | Alankar India Pvt. Ltd   | 50,000  | 0.89                             | 50,000   | 0.89                                |                                  |  |                                      |
| 10   | Prem Lata Devi Jain (*)  | 20,000  | 0.36                             | 20,000   | 0.36                                |                                  |  |                                      |
|  | At the beginning of the year   | NIL<br>There is no change in the Shareholding of top ten shareholders between 01/04/2019 and 31/03/2020 |                                  |  |                                     |                                  |  |                                      |
|  | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) |   |                                  |  |                                     |                                  |  |                                      |
|  | At the end of the year (or on the date of separation, if separated during the year)  |   |                                  |  |                                     |                                  |  |                                      |
| * Nomita Jain and Meera Devi Jain are also holding 20,000 shares each  |  |   |                                  |  |                                     |                                  |  |                                      |

(v) **Shareholding of Directors & KMP**

| Sl. No | For Each of the Directors & KMP<br>Name of the Director | Shareholding at the beginning of the year |                          | Shareholding at the end of the year |                                  |
|--------|---|---|--------------------------|-------------------------------------|----------------------------------|
|        |   | No. of shares                             | % of total shares of the | No of shares                        | % of total shares of the company |
| 1      | Mrs. Puja Poddar (Director)*                            |   |                          |                                     |                                  |
| 2      | Mr. Akshay Poddar (Director)                            |   |                          |                                     |                                  |
|        | Mrs. Shradha Agarwala**                                 |   |                          |                                     |                                  |
| 3      | Mr. Gaurav Agarwala (Director)                          |   |                          |                                     |                                  |
| 4      | Mr. Rewati Raman Goenka (Independent Director)          |   |                          |                                     |                                  |
| 5      | Mr. Piyush Khaitan (Independent Director)               |   |                          |                                     |                                  |
| 6      | Mr. Kunal Agarwala (Independent Director)               |   |                          |                                     |                                  |
| 7      | Mr. Devendra Khemka (CFO & Manager)***                  |   |                          |                                     |                                  |
| 8      | Ms. Punam Singh (CS)                                    |   |                          |                                     |                                  |

NIL  
There is no change in the Shareholding of top ten shareholders  
between  
01/04/2019 and 31/03/2020

\*Mrs. Puja Poddar has resigned from the board of Directors w.e.f. 15.09.2020

\*\*Mrs. Shradha Agarwala has been appointed as an Additional Director w.e.f. 13.02.2020

\*\*\*Mr. Devendra Khemka has been appointed to the post of Manager of the company w.e.f. 22.12.2016

V **INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

|  | Secured Loans excluding deposits | Unsecured Loans        | Deposits | Total Indebtedness     |
|--|----------------------------------|------------------------|----------|------------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                        |          |                        |
| i) Principal Amount  | -                                | 57,84,32,044.00        | -        | 57,84,32,044.00        |
| ii) Interest due but not paid                              | -                                | -                      | -        | -                      |
| iii) Interest accrued but not due                          | -                                | 1,24,96,438.00         | -        | 1,24,96,438.00         |
| <b>Total (i+ii+iii)</b>                                    | -                                | <b>59,09,28,482.00</b> | -        | <b>59,09,28,482.00</b> |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                        |          |                        |
| Additions  | -                                | -                      | -        | -                      |
| Reduction  | -                                | 34,89,30,000.00        | -        | 34,89,30,000.00        |
| <b>Net Change</b>  | -                                | <b>34,89,30,000.00</b> | -        | <b>34,89,30,000.00</b> |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                        |          |                        |
| i) Principal Amount  | -                                | 24,19,98,482.00        | -        | 24,19,98,482.00        |
| ii) Interest due but not paid                              | -                                | -                      | -        | -                      |
| iii) Interest accrued but not due                          | -                                | -                      | -        | -                      |
| <b>Total (i+ii+iii)</b>                                    | -                                | <b>24,19,98,482.00</b> | -        | <b>24,19,98,482.00</b> |

VI **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. **Remuneration to Managing Director, Whole time director and/or Manager:**

| Sl.No | Particulars of Remuneration  | Name of the MD/WTD/Manager   | Total Amount |
|-------|--|------------------------------|--------------|
| 1     | <b>Gross salary</b>  | <b>Mr. Devendra Khemka *</b> |              |
|       | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | -                            | -            |
|       | (b) Value of perquisites u/s 17(2) of the Income tax Act,                        | -                            | -            |
|       | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | -                            | -            |
| 2     | Stock option   | -                            | -            |
| 3     | Sweat Equity   | -                            | -            |
| 4     | Commission as % of profit  | -                            | -            |
| 5     | Others, please specify (Provident Fund and Perquisites)                          | -                            | -            |
|       | <b>Total (A)</b>   | -                            | -            |
|       | <b>Ceiling as per the Act</b>  | -                            | -            |

\*Mr. Devendra Khemka has been appointed to the post of Manager of the company w.e.f. 22.12.2016 and currently receives no remuneration for holding the post of Manager

**B. Remuneration to other directors:**

| Sl.No | Particulars of Remuneration            | Name of the Directors      |                        |                         |                       |
|-------|--|----------------------------|------------------------|-------------------------|-----------------------|
| 1     | <b>Independent Directors</b>           | <b>Rewati Raman Goenka</b> | <b>Piyush Khaitan</b>  |                         | <b>Kunal Agarwala</b> |
|       | (a) Fee for attending board committee  | -                          | -                      | -                       | -                     |
|       | (b) Commission                         | -                          | -                      | -                       | -                     |
|       | (c) Others, please specify             | -                          | -                      | -                       | -                     |
|       | <b>Total (1)</b>                       | -                          | -                      | -                       | -                     |
| 2     | <b>Other Non Executive Directors</b>   | <b>Akshay Poddar</b>       | <b>Gaurav Agarwala</b> | <b>Shradha Agarwala</b> | <b>Puja Poddar*</b>   |
|       | (a) Fee for attending board committee  | -                          | -                      | -                       | -                     |
|       | (b) Commission                         | -                          | -                      | -                       | -                     |
|       | (c) Others, please specify.            | -                          | -                      | -                       | -                     |
|       | <b>Total (2)</b>                       | -                          | -                      | -                       | -                     |
|       | <b>Total (B)=(1+2)</b>                 | -                          | -                      | -                       | -                     |
|       | <b>Total Managerial Remuneration</b>   | -                          | -                      | -                       | -                     |
|       | <b>Overall Ceiling as per the Act.</b> | N.A.                       | N.A.                   | N.A.                    | N.A.                  |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel |                    |                        |           |
|---------|--|--------------------------|--------------------|------------------------|-----------|
|         |  | CEO                      | Company Secretary  | CFO                    | TOTAL     |
| 1       | <b>Gross Salary</b>  |                          | <b>Punam Singh</b> | <b>Devendra Khemka</b> |           |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | -                        | 5,79,525           | 46,85,250              | 52,64,775 |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | -                        | -                  | 78,631                 | 78,631    |
|         | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | -                        | -                  | -                      | -         |
| 2       | Stock Option   | -                        | -                  | -                      | -         |
| 3       | Sweat Equity   | -                        | -                  | -                      | -         |
| 4       | Commission as % of profit  | -                        | -                  | -                      | -         |
|         | others, specify  | -                        | -                  | -                      | -         |
| 5       | Others, please specify (Provident Fund and Perquisites)                              | -                        | 45,000             | 4,86,000               | 5,31,000  |
|         |  | -                        | -                  | -                      | -         |
|         | <b>Total</b>   | -                        | 6,24,525           | 52,49,881              | 58,74,406 |

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/Co | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|----------------------------------|---------------------------|-----------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                  |                           |                                   |
| Penalty                             |                              |                   | None                             |                           |                                   |
| Punishment                          |                              |                   | None                             |                           |                                   |
| Compounding                         |                              |                   |                                  |                           |                                   |
| <b>B. DIRECTORS</b>                 |                              |                   |                                  |                           |                                   |
| Penalty                             |                              |                   | None                             |                           |                                   |
| Punishment                          |                              |                   | None                             |                           |                                   |
| Compounding                         |                              |                   |                                  |                           |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                  |                           |                                   |
| Penalty                             |                              |                   | None                             |                           |                                   |
| Punishment                          |                              |                   | None                             |                           |                                   |
| Compounding                         |                              |                   |                                  |                           |                                   |

Registered Office:  
CIN: L36993WB1995PLC069510

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Website: [www.poddarheritage.com](http://www.poddarheritage.com)

For and on behalf of the Board  
For Adventz Securities Enterprises Limited

Guarav Agarwala  
Director  
DIN: 00201469

Piyush Khaitan  
Director  
DIN: 00348151

Dated: 29th October, 2020

## **INDEPENDENT AUDITORS REPORT**

**To  
The Members of  
M/s. Adventz Securities Enterprises Limited**

### **Report on the Standalone Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying Standalone financial statements of **M/s. Adventz Securities Enterprises Limited (“the Company”)** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in Equity 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 (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in *Basis for Qualified Opinion* section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit (Including Other Comprehensive Income), Statement of Changes in Equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

1. Rent under dispute and unascertainable as per management has not been accounted for
2. No provision for accrual liability for gratuity and leave encashment has been made by the Company during the year or in earlier years which, is not in accordance with ‘IND AS 19 Employee Benefits’
3. Stock of Land which has been encroached upon and is yet to be mutated in the name of the company has been stated at Historical cost and not as per valuation determined as per ‘IND AS-2 Inventory’

Impacts with respect to 1, 2 and 3 above are presently not ascertainable and as such cannot be commented upon by us.

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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Standalone Financial Statement.

## Emphasis of Matter

We draw attention to the notes to the financial statement regarding –

- a. The management's assessment of COVID- 19 pandemic where it has been mentioned that the Company has considered the possible effects on its business that may result from COVID-19 on the carrying amount of receivables and other investments made by the Company as on the reporting date. Based on assumptions and current estimates in view of the pandemic, the Company expects that the carrying amounts of receivables and other investments will be recovered in due course of time. Also, there is no material uncertainty on the ability of the Company to continue as a going concern and there is no material event / circumstances due to COVID-19 as on the date of approval of the Financial Statement that requires separate adjustment or disclosure. (Refer Note 42 to the financial statements).
- b. Non-provision of liability of interest/late payment surcharge, on the amount of amicably settled maximum demand charges paid by Company and Company's claim of interest on amounts refunded by WBSEB against provisional bills, since the matter remains unresolved and amounts being unascertainable ( Refer Note 27 to the financial statements)
- c. Scripts of certain quoted and unquoted shares and securities of Rs. 40.79 lacs have not been furnished for verification. The same have been impaired due to reasons like non-availability of certificates and/or market valuation, investee company gone under liquidation or struck off etc. (Refer Note 4 to the financial statements)
- d. Lease of Paharpurgodown which, expired in 2002 has not been renewed by KPT and Companies petition is pending before the Court. KPT has also claimed compensation of Rs. 1.36 Crore. As per direction of the Court the Company has deposited a sum of Rs. 25 lakhs and is also remitting cheque of Rs. 25,000 p.m. to KPT  
The above godown has been subleased but no rent is received from the tenant after June, 2009 for which the Company has filed recovery and eviction suit against them. No rental income is being accounted for. (Refer Note 28 to the financial statements)
- e. Lease of Taratallagodown has not been renewed and eviction notice has issued by KPT. KPT has claimed compensation which been neither been paid nor accounted for. No accounting for rent or Compensation has been made in the accounts. The tenant to whom it is subleased has not paid rent since July, 1985 and suit for recovery / eviction is pending before Court. No rental income or expenses have been accounted for (Refer Note 29 to the financial statements)
- f. Long term unsecured loan of Rs. 184.32 lacs are subject to confirmation. Repayment dates of such loans have lapsed since long. Further interest and penal charges has not been provided. (Refer Note 10 to the financial statements)
- g. Long term security deposit has been stated at historical cost as the contracts have expired and further details are not available. (Refer Note 9 to the financial statements).

Our opinion is not modified in respect of matter stated in points (a) and (g) under "Emphasis of Matter" section of our report.

**Key Audit Matters :**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed and communicated with management in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in the our report.

| <b>Sr. No</b> | <b>Key Audit Matter</b>  | <b>How our audit addressed the Key Audit Matter</b>   |
|---------------|--|---|
| 1             | <p>The Company has adopted IND AS as announced by Ministry of Corporate Affairs for non-banking Financial institutions, the company has adopted IND AS from April 1, 2019 with an effective date of April 1,2018 for such transition. Required reconciliation and comparatives have been prepared under IND AS as erstwhile financials were prepared under Indian Generally Accepted Accounting Principles GAAP. Such transition involves complexity and lead to significant changes in the company's policies and processes , hence this has been an area of key concern in our audit of the company</p> <p><b>Revenue Recognition on interest income, dividend income and gain/ sale of investments</b></p> <p>We focused on this area because of the majority in determining the company's revenue and risk of under/over estimation of revenue</p> | <p>Our audit procedure in relation to the first time adoption of IND AS as aforementioned has been mentioned below :-</p> <ol style="list-style-type: none"><li>Review of financial statements for identification of the areas impacted on account of IND AS transition.</li><li>Review and assessment of the judgments exercised by the management in applying the first time adoption of IND AS.</li><li>Assessing the judgments exercised by the management in relation to 'IND AS101 First time Adoption of Indian Accounting Standard' which provides certain exemptions and relaxations</li><li>Review of the methods and assumptions exercised by the management for fair valuation of assets and liabilities existed at the transition date and at the reporting dates</li><li>Reviewed of the IND AS required accounting adjustments posted at the transition date and in respect of the comparative financial years and period which was prepared under erstwhile INDIAN GAAP</li><li>Assess the disclosures included in the IND AS financial statements in accordance with the requirements of IND AS 101 and other applicable IND AS.</li></ol> <p>We reviewed the process adopted for assuring the consistency in approach between accounting periods. Our tests included:</p> <ul style="list-style-type: none"><li>Assessing compliance of company's revenue recognition accounting policies with applicable accounting standards.</li><li>Checking the accuracy of various reconciliations carried out on sale of investments.</li><li>Considered the appropriateness and accuracy of interest and dividend as recorded in the relevant records</li><li>Verifying the disclosure in accounting records with various supporting documentation</li></ul> <p><b>Conclusion:</b><br/>Our applied procedures did not indicate any material deviations.</p> |

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Standalone Financial Statements and our auditors' report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### **Responsibility of Management and Those charged with Governance for the Standalone Financial Statements**

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

In preparing the standalone 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 Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls 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 ability of the Company 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 interim consolidated 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



## Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditors Report) order, 2016 ( the Order) issued by the Central Government of India in terms of section 143 (11) of the Act we give in the Annexure A, a Statement on the matters specified in paragraph 3 and 4 of the order
- (ii) As required by Section 143(3) of the Act, we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the possible effects of the matters described in *Basis for Qualified Opinion* section of our report.
  - (c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the possible effects of the matters described in *Basis for Qualified Opinion* section of our report
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) The matters described in the Basis for Qualified opinion paragraph above, can have an adverse effect on the profit/loss and corresponding effect on the assets and liabilities of the Company.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B and
  - (h) With respect to the other matter to be included in the Auditor's report in accordance with the requirements of Section 197(16) of the act, as amended –  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the act.
  - (i) With respect to the other matters to be includes 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 has disclosed the impact of pending litigations which would impact its financial position in Note no. 23 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.

- (j) According to the information and explanations given to us and on the basis of test checks carried out by us during the course of the audit of the Company, our reports on the matters specified in Para 3A and 3C of the Master Direction – Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016 are as follows:
- i. The Company is engaged in the business of non-banking financial institution and has obtained a Certificate of Registration from the Reserve Bank of India;
  - ii. Based on the information and explanations given to us, the Company is entitled to continue to hold the Certificate of Registration in terms of its asset/income pattern as on 31<sup>st</sup> March 2020
  - iii. The Company is meeting the net-owned fund requirement as laid down in the Master Directions issued by the Reserve Bank of India
  - iv. The Board of Directors of the Company has passed a resolution for not accepting any public deposit
  - v. The Company has not accepted any public deposit during the year
  - vi. The Company has complied with the prudential norms relating to income recognition, income on investments, accounting for investments, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company – Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016 ( updated as on February 17, 2020)
  - vii. Based on the information and explanations given to us, the Company has not been classified as a NBFC Micro Finance Institution (MFI) as defined in the Non-Banking Financial Company Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016 ( updated as on February 17, 2020)

For **Chaturvedi & Company**  
Chartered Accountants  
Firm Regn. No : 302137E

Dated :10/07/2020  
Place : Kolkata

**Nilima Joshi**  
Partner  
Memb No. 52122  
UDIN -20052122AAAABC1273

## **Annexure A to the Auditor's Report**

### **The Annexure referred to in Independent Auditor's Report of even date to the members of ADVENTZ SECURITIES ENTERPRISES LIMITED, on the financial statements for the year ended 31<sup>st</sup> March, 2020**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The leasehold property received and held by the company by virtue of amalgamation vide the scheme approved by the Hon'ble High Court of Kolkata, is still not mutated or transferred in the name of the Company.
- (ii) (a) The management has conducted physical verification of inventory of shares at reasonable intervals during the year. No verification of inventory of land has been done. The land has been encroached upon.
  - (b) The procedures of physical verification of inventory followed by the management for shares are reasonable and adequate in relation to the size of the Company and the nature of its business except in case of inventory of land
  - (c) The Company is maintaining proper records of inventory for shares and no material discrepancies between physical inventory and book records were noticed on physical verification. Since no physical verification of land was made we cannot comment on the discrepancies between physical inventory and book records in respect of land.
- (iii) The Company has granted unsecured loan to 8 (Eight) companies covered in the register maintained under Section 189 of the Act. No schedule of repayment of principal and interest has been specified hence clause 3(iii) (c) of the order is not applicable. All the loans have been given at market rate of interest. Repayment and receipts are regular in nature except in case of 2 (two) companies where provisions have been made due to loan becomes NPA (Non performing assets) as required by RMI Master direction applicable to NBFC's companies.
- (iv) The relevant provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security are not applicable to the Company. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) As per the information and explanation given to us by the management, the Central Government has not prescribed maintenance of cost records pursuant to Section 148 of the Companies Act, 2013 and Rules made for any of the products of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods & service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding on the year-end for a period of more than six months from the date they became payable except for Sales Tax of Rs. 9,25,712

(b) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute, except :

| Name of the Statute             | Nature of Dues           | Year          | Amount (Rs. Lacs) | Forum where dispute is pending                   |
|---------------------------------|--------------------------|---------------|-------------------|--|
| B. F. (Sales Tax) Act, 1941     | Sales Tax                | 1990-1991     | 0.45              | WB Commercial Taxes Appellate & Revisional Board |
|                                 |                          | 1991-1992     | 4.55              | WB Commercial Taxes Appellate & Revisional Board |
| West Bengal Sales Tax Act, 1995 | Sales Tax                | 1995-1996     | 33.57             | Commissioner of Sales Tax                        |
| Central Sales Tax Act, 1956     | Sales Tax                | 1990-1991     | 0.05              | WB Commercial Taxes Appellate & Revisional Board |
|                                 |                          | 1991-1992     | 0.96              | Commissioner of Sales Tax                        |
|                                 |                          | 1995-1996     | 3.24              | Dy. Commissioner of Sales Tax                    |
| Income Tax Act, 1961            | Income Tax               | 1985-1986     | 16.03             | CIT (Appeals)                                    |
|                                 |                          | 1986-1987     | 4.08              | CIT (Appeals)                                    |
|                                 |                          | 1990-1991     | 1.31              | CIT (Appeals)                                    |
|                                 |                          | 1998-1999     | 9.40              | CIT (Appeals)                                    |
|                                 |                          | 2006-2007     | 2.88              | CIT (Appeals)                                    |
|                                 |                          | 2010-2011     | 1.54              | Asst. Comm. of Income Tax                        |
|                                 |                          | 2011-2012     | 0.59              | Assessing Officer                                |
| 2012-2013                       | 2.07                     | CIT (Appeals) |                   |  |
| Central Excise Act, 1944        | Central Excise & Customs |               | 16.98             | Appellate Tribunal                               |

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) No Managerial remuneration has been paid (and)/ provided by the company. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations 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.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non -cash transactions with directors or persons connected with him.
- (xvi) The company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

For **Chaturvedi & Company**  
Chartered Accountants  
Firm Regn. No : 302137E

Dated : 10/07/2020  
Place : Kolkata

**Nilima Joshi**  
Partner  
Memb No. 52122  
UDIN -20052122AAAABC1273

## **Annexure B to the Auditor's Report**

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

1. In conjunction with our audit of the financial statements of ADVENTZ SECURITIES ENTERPRISES LIMITED ("the Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of the company of as of that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by 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 the 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 Act.

#### **Auditors' Responsibility**

3. 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 Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.
5. 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 over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial controls 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 controls 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.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. 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 internal financial controls 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**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based 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 ICAI.

For **Chaturvedi & Company**  
Chartered Accountants  
Firm Regn. No : 302137E

**Nilima Joshi**  
Partner  
Memb No. 52122  
UDIN -20052122AAAABC1273

Dated : 10/07/2020  
Place : Kolkata

**ADVENTZ SECURITIES ENTERPRISES LIMITED**

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020**

(Amount in Rs)

| Particulars                                 | Note No. | As at 31-03-2020    | As at 31-03-2019      | As at 01-04-2018      |
|---|----------|---------------------|-----------------------|-----------------------|
| <b>ASSETS</b>                               |          |                     |                       |                       |
| <b>(1) Financial Assets</b>                 |          |                     |                       |                       |
| (a) Cash and Cash Equivalents               | 2        | 1,36,72,070         | 4,36,01,573           | 86,66,218             |
| (b) Loans                                   | 3        | 37,40,04,184        | 30,91,20,360          | 18,37,05,903          |
| (c) Investments                             | 4        | 44,83,96,823        | 80,10,72,051          | 99,06,98,913          |
| (d) Other Financial Assets                  | 5        | 13,83,199           | 22,40,34,470          | 23,38,28,120          |
|   |          | <b>83,74,56,276</b> | <b>1,37,78,28,454</b> | <b>1,41,68,99,154</b> |
| <b>(2) Non-Financial Assets</b>             |          |                     |                       |                       |
| (a) Inventories                             | 6        | 2,31,500            | 2,31,500              | 2,31,500              |
| (b) Current Tax Assets (Net)                | 7        | 1,76,06,754         | 1,71,41,660           | 1,48,99,293           |
| (c) Property, Plant and Equipment           | 8        | 27,32,201           | 33,57,937             | 30,95,843             |
| (d) Other Non-Financial Assets              | 9        | 48,97,063           | 62,98,767             | 62,25,053             |
|   |          | <b>2,54,67,518</b>  | <b>2,70,29,864</b>    | <b>2,44,51,689</b>    |
| <b>TOTAL ASSETS</b>                         |          | <b>86,29,23,794</b> | <b>1,40,48,58,318</b> | <b>1,44,13,50,843</b> |
| <b>LIABILITIES AND EQUITY</b>               |          |                     |                       |                       |
| <b>(1) Financial Liabilities</b>            |          |                     |                       |                       |
| (a) Borrowings (Other than Debt Securities) | 10       | 24,19,98,482        | 59,09,28,482          | 28,05,75,880          |
|   |          | <b>24,19,98,482</b> | <b>59,09,28,482</b>   | <b>28,05,75,880</b>   |
| <b>(2) Non-Financial Liabilities</b>        |          |                     |                       |                       |
| (a) Provisions                              | 11       | 7,72,801            | 7,72,801              | 4,58,477              |
| (b) Deferred Tax Liabilities (Net)          | 12       | 4,89,84,312         | 12,99,09,342          | 17,82,43,478          |
| (c) Other Non-Financial Liabilities         | 13       | 69,94,527           | 81,79,174             | 81,59,159             |
|   |          | <b>5,67,51,640</b>  | <b>13,88,61,317</b>   | <b>18,68,61,114</b>   |
| <b>(3) Equity</b>                           |          |                     |                       |                       |
| (a) Equity Share Capital                    | 14       | 5,62,77,870         | 5,62,77,870           | 5,62,77,870           |
| (b) Other Equity                            | 15       | 50,78,95,802        | 61,87,90,649          | 91,76,35,979          |
|   |          | <b>56,41,73,672</b> | <b>67,50,68,519</b>   | <b>97,39,13,849</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>         |          | <b>86,29,23,794</b> | <b>1,40,48,58,318</b> | <b>1,44,13,50,843</b> |
| Significant Accounting Policies             | 1        |                     |                       |                       |

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For Chatruvedi & Company**  
Chartered Accountants  
Firm Registration Number 302137E

**Nilima Joshi**  
Proprietor  
(Membership No.52122)

Place : Kolkata  
Dated : 10th July, 2020

UDIN NO. : 20052122AAAABC1273

For and on behalf of the Board

Gaurav Agarwala  
Director  
DIN : 00201469

Piyush Khaitan  
Director  
DIN : 00348151

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A38649



**ADVENTZ SECURITIES ENTERPRISES LIMITED**

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Amount in Rs)

| Particulars   | Note No. | As at 31-03-2020      | As at 31-03-2019      |
|---|----------|-----------------------|-----------------------|
| <b>Revenue from Operations</b>  |          |                       |                       |
| (i) Interest Income   | 16       | 3,07,98,371           | 2,42,08,184           |
| (ii) Dividend Income  |          | 45,18,781             | 41,73,932             |
| (iii) Net Gain on Fair Value Changes  | 17       | (13,56,604)           | 7,90,362              |
| (iv) Sale of Shares   |          | 34,89,30,000          | -                     |
| (v) Others - Profit on Sale of Mutual Fund  |          | 2,93,638              | 1,45,226              |
| <b>(I) Total Revenue from Operations</b>  |          | <b>38,31,84,186</b>   | <b>2,93,17,704</b>    |
| (II) Other Income   | 18       | 2,64,948              | 2,18,545              |
| <b>(III) Total Income (I+II)</b>  |          | <b>38,34,49,134</b>   | <b>2,95,36,249</b>    |
| <b>Expenses</b>   |          |                       |                       |
| (i) Finance Cost  | 19       | -                     | 2,72,42,054           |
| (ii) Purchase of Stock-in-Trade   |          | -                     | 11,48,57,061          |
| (iii) Change in Inventories of Stock-in-Trade   | 20       | 21,36,61,470          | 97,93,650             |
| (iv) Employees Benefit Expenses   | 21       | 73,04,543             | 65,61,304             |
| (v) Depreciation  | 8        | 9,81,365              | 11,87,226             |
| (vi) Other Expenses   | 22       | 2,53,71,763           | 58,64,767             |
| <b>(IV) Total Expenses</b>  |          | <b>24,73,19,141</b>   | <b>16,55,06,062</b>   |
| (V) Profit/(Loss) before exceptional items & Tax (III-IV)   |          | 13,61,29,993          | (13,59,69,813)        |
| (VI) Exceptional Items  |          | -                     | -                     |
| (VII) Profit/(Loss) before Tax (V-VI)   |          | 13,61,29,993          | (13,59,69,813)        |
| (VIII) Tax Expenses   |          |                       |                       |
| Current Tax   |          | -                     | -                     |
| Deferred Tax  |          | (58,90,098)           | -                     |
| <b>(IX) Profit/(Loss) for the year (VII-VIII)</b>   |          | <b>14,20,20,091</b>   | <b>(13,59,69,813)</b> |
| (X) Other Comprehensive Income  |          |                       |                       |
| <b>(A)</b>  |          |                       |                       |
| (i) Items that will not be reclassified to profit or loss   |          |                       |                       |
| a) Gains/(Losses) on Equity Instruments through Other Comprehensive Income  |          | (32,79,49,878)        | (21,12,50,594)        |
| (ii) Income tax relating to items that will not be reclassified to profit or loss   |          | 7,50,34,932           | 4,83,34,136           |
| <b>(B)</b>  |          |                       |                       |
| (i) Items that will be reclassified to profit or loss   |          | -                     | -                     |
| (ii) Income tax relating to items that will be reclassified to profit or loss   |          | -                     | -                     |
| <b>(XI) Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b> |          | <b>(11,08,94,855)</b> | <b>(29,88,86,271)</b> |
| (XII) <b>Earning per equity share (for continuing operation):</b>   |          |                       |                       |
| (1) Basic   |          | 25.24                 | (24.16)               |
| (2) Diluted   |          | 25.24                 | (24.16)               |

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For Chatruvedi & Company**  
Chartered Accountants  
Firm Registration Number 302137E

**Nilima Joshi**  
Proprietor  
(Membership No.52122)

**Place : Kolkata**  
**Dated : 10th July, 2020**

**UDIN NO. : 20052122AAAABC1273**

For and on behalf of the Board

Gaurav Agarwala  
Director  
DIN : 00201469

Piyush Khaitan  
Director  
DIN : 00348151

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A38649

**ADVENTZ SECURITIES ENTERPRISES LIMITED**

Notes to the financial statements for the year ended 31st March, 2020

**STATEMENT OF CHANGES IN EQUITY**

**a. Equity share capital**

| Particulars                     | Amount      |
|---------------------------------|-------------|
| As at 01.04.2018                | 5,62,77,870 |
| Changes in equity share capital | -           |
| As at 31.03.2019                | 5,62,77,870 |
| Changes in equity share capital | -           |
| As at 31.03.2020                | 5,62,77,870 |

**b. Other equity**

| Particulars   | Other Equity    |                   |                 |                  | Items of Other Comprehensive Income                   |   | Total          |
|---|-----------------|-------------------|-----------------|------------------|---|---|----------------|
|   | Capital Reserve | Retained earnings | General Reserve | Reserve Fund RBI | Equity Instruments through other comprehensive income | Other items of other comprehensive income |                |
| As at 01.04.2018                                    | 37,17,000       | 20,51,87,713      | 4,18,56,700     | 5,24,40,000      | -   | -   | 30,32,01,413   |
| Changes in accounting policy (Change in Fair Value) | -               | 4,38,168          | -               | -                | 61,39,96,398  | -   | 61,44,34,566   |
| Restated balance as at 01.04.2018                   | 37,17,000       | 20,56,25,881      | 4,18,56,700     | 5,24,40,000      | 61,39,96,398  | -   | 91,76,35,979   |
| Total comprehensive income for the year             | -               | -                 | -               | -                | (16,29,16,458)  | -   | (16,29,16,458) |
| Dividends   | -               | -                 | -               | -                | -   | -   | -              |
| Profit / (Loss) for the period                      | -               | (13,59,69,813)    | -               | -                | -   | -   | (13,59,69,813) |
| Income Tax Adjustments                              | -               | 40,941            | -               | -                | -   | -   | 40,941         |
| As at 31.03.2019                                    | 37,17,000       | 6,96,97,009       | 4,18,56,700     | 5,24,40,000      | 45,10,79,939  | -   | 61,87,90,648   |
| Restated balance as at 31.03.2019                   | -               | -                 | -               | -                | -   | -   | -              |
| Total comprehensive income for the year             | -               | -                 | -               | -                | (25,29,14,946)  | -   | (25,29,14,946) |
| Dividends   | -               | -                 | -               | -                | -   | -   | -              |
| Profit / (Loss) for the period                      | -               | 14,20,20,091      | -               | -                | -   | -   | 14,20,20,091   |
| Income Tax Adjustments                              | -               | 8                 | -               | -                | -   | -   | 8              |
| Transfer to retained earnings                       | -               | (3,00,00,000)     | -               | 3,00,00,000      | -   | -   | -              |
| As at 31.03.2020                                    | 37,17,000       | 18,17,17,108      | 4,18,56,700     | 8,24,40,000      | 19,81,64,994  | -   | 50,78,95,802   |

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For Chartruedi & Company**  
Chartered Accountants  
Firm Registration Number 302137E

**Nilima Joshi**  
Proprietor  
(Membership No.52122)

Place : Kolkata  
Dated : 10th July, 2020

UDIN NO. : 20052122AAAABC1273

For and on behalf of the Board

Gaurav Agarwala  
Director  
DIN : 00201469

Piyush Khaitan  
Director  
DIN : 00348151

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A38649

**ADVENTZ SECURITIES ENTERPRISES LIMITED**  
**Regd. Office : 31, B.B.D. BAGH (S), KOLKATA - 700 001**

| <b>Statement of Standalone Cash Flows for the period ended 31st March, 2020</b> |                             |                             |
|---|-----------------------------|-----------------------------|
| <b>Particulars</b>  | <b>As at March 31, 2020</b> | <b>As at March 31, 2019</b> |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                                     |                             |                             |
| <b>Profit/(Loss) before tax:</b>  | <b>13,61,29,993</b>         | (13,59,69,813)              |
| <b>Adjustments:</b>   |                             |                             |
| Finance Cost  | -                           | 2,72,42,054                 |
| Depriciation  | <b>9,81,365</b>             | 11,87,226                   |
| Provision for Standard Assets   | -                           | 3,14,324                    |
| Provison for Sub-Standard/Doubtful Assets                                       | <b>1,95,84,716</b>          | 3,15,000                    |
| (Profit)/Loss on Sale of Fixed Assets   | <b>404</b>                  | (2,07,696)                  |
| Sundry Balance written off  | <b>6</b>                    | -                           |
| Income on Investments in Mutual Funds   | <b>(2,93,614)</b>           | (1,45,226)                  |
| Dividend Income   | <b>(45,18,781)</b>          | (41,73,932)                 |
| Net (Gain)/Loss on Fair Value   | <b>13,56,604</b>            | (7,90,362)                  |
| <b>Operating Profit before Working Capital changes</b>                          | <b>15,32,40,693</b>         | (11,22,28,425)              |
| <b>Adjustments for (increae)/decrease in Operating Assets:</b>                  |                             |                             |
| Loans   | <b>(7,41,45,540)</b>        | (12,57,29,457)              |
| Other Financial Assets  | <b>21,23,28,271</b>         | 97,93,650                   |
| Other Non Financial Assets  | <b>14,01,704</b>            | (73,714)                    |
| <b>Adjustments for increase/(decrease) in Operating Liabilities</b>             |                             |                             |
| Other Non Financial Liabilities   | <b>(11,84,647)</b>          | 20,015                      |
| Cash generated from operations  | <b>29,16,40,481</b>         | (22,82,17,931)              |
| Income taxes paid (net of refunds)  | <b>(4,65,094)</b>           | (22,01,426)                 |
| <b>Net Cash Inflow/(Outflow) from Operating Activities</b>                      | <b>29,11,75,387</b>         | (23,04,19,357)              |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                                     |                             |                             |
| Purchase of Fixed Assets (including Capital Advances)                           | <b>(3,56,033)</b>           | (12,41,624)                 |
| Proceeds from Sale of Investments (net)   | <b>2,36,62,362</b>          | (2,06,88,144)               |
| Dividend received   | <b>45,18,781</b>            | 41,73,932                   |
| <b>Net Cash Inflow/(Outflow) from Investing Activities</b>                      | <b>2,78,25,110</b>          | (1,77,55,836)               |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                      |                             |                             |
| Borrowing other than Debt Scurities issued (net)                                | <b>(34,89,30,000)</b>       | <b>31,03,52,602</b>         |
| Finance Cost  | -                           | (2,72,42,054)               |
| <b>Net Cash Inflow/(Outflow) from Financing Activities</b>                      | <b>(34,89,30,000)</b>       | 28,31,10,548                |
| <b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>                        | <b>(2,99,29,503)</b>        | 3,49,35,355                 |
| Add: Cash and cash equivalents at beginning of the year                         | <b>4,36,01,573</b>          | <b>86,66,218</b>            |
| <b>Cash and cash equivalents at end of the year</b>                             | <b>1,36,72,070</b>          | 4,36,01,573                 |

The accompanying notes are an integral part of the financial statements

As per our Report of even date

**For Chatruvedi & Company**  
**Chartered Accountants**  
**Firm Registration Number 302137E**

**Nilima Joshi**  
**Proprietor**  
(Membership No.52122)

Place : Kolkata  
Dated : 10th July, 2020

**UDIN NO. : 20052122AAAABC1273**

**Gaurav Agarwala**  
Director  
DIN : 00201469

**Piyush Khaitan**  
Director  
DIN : 00348151

**Devendra Khemka**  
Chief Financial Officer

**Punam Singh**  
Company Secretary  
Membership No.:A38649

## **ADVENTZ SECURITIES ENTERPRISES LIMITED**

### **Notes to the financial statements for the year ended 31st March, 2020**

#### **NOTE NO. 1A : CORPORATE INFORMATION**

Adventz Securities Enterprises Limited ('the Company'), incorporated in Kolkata under the provisions of the Companies Act, 1956 having CIN No. L36993WB1995PLC069510, is a publicly held non-banking finance company listed on Calcutta Stock Exchange Limited, Delhi Stock Exchange Limited and Metropolitan Stock Exchange of India Limited. The Company is registered as non-systematically important non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India Act, 1934 having registration No. B-05.00291. The Registered and Corporate office of the Company situated at 31, Hongkong House, B.B.D. Bagh (South), Kolkata-700001.

#### **NOTE NO. 1B : SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES & JUDGMENTS**

**a) Basis of preparation:** The financial statements for the year ended March 31, 2020 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

For periods up to and including the year ended March 31, 2019, the Company presented its financial statements under the historical cost convention and accrual basis of accounting complying with the provisions of the Companies Act, 2013, and are in accordance with generally accepted accounting principles in India ('Indian GAAP' or 'previous GAAP').

The financial statements for the year ended March 31, 2020 are first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial positions of the Company is provided in **Note 41** to the financial statements.

The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

**b) Functional and Presentation currency :** These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

**c) Historical Cost Convention :** The financial statements have been prepared on a historical cost basis, except for the following material items :

- Financial assets at Fair value through other comprehensive income (FVTOCI) that is measured at fair value
- Financial instruments at Fair value through profit and loss (FVTPL) that is measured at fair value
- Net defined benefit (assets)/liability – fair value of plan assets less present value of defined benefit obligation

## ADVENTZ SECURITIES ENTERPRISES LIMITED

### Notes to the financial statements for the year ended 31st March, 2020

**d) Significant areas of estimation uncertainty, critical judgments and assumptions in applying accounting policies :** In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**e) Revenue Recognition :** Income from loans is recognized on accrual basis, except in the case of non-performing assets where it is recognized, upon realization, as per the Prudential Norms/Directions of RBI, as applicable to NBFC's.

Income from Dividend from Shares of Corporate bodies is accounted when the company's right to receive the dividend is established.

All other income is accounted for on accrual basis.

#### **f) Financial Instruments :**

##### **I) Initial recognition and measurement:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **II) Classifications :**

###### **Financial assets**

A financial asset is classified as subsequently measured at either amortised cost or fair value through other comprehensive income ('FVTOCI') or fair value through profit and loss (FVTPL), depending on the contractual cash flow characteristics of the financial assets and Company's business model for managing the financial assets.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

###### **Financial instruments at Amortised Cost**

A financial asset is measured at amortised cost only if both the following conditions are met :

- It is held with in a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

## **ADVENTZ SECURITIES ENTERPRISES LIMITED**

### **Notes to the financial statements for the year ended 31st March, 2020**

#### **Financial assets at Fair value through Other Comprehensive Income ('FVTOCI')**

A financial asset is measured at FVTOCI only if both the following conditions are met :

- It is held with in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### **Financial assets at Fair value through Profit and Loss ('FVTPL')**

Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

#### **Investments**

All equity investments other than equity investments in subsidiaries/associates/joint ventures are measured at FVTOCI.

The carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

Quoted current investment for each category has been valued at market value. Investment in unquoted equity shares has been valued at break up value. Where the balance sheet of the investee company is not available for two years, such shares has been valued at one rupee only. Unquoted preference shares in the nature of current investment have been valued at cost. Investment in unquoted government securities has been valued at carrying cost. Valuation has been made as per the Prudential Norms/Directions of RBI, as applicable to NBFC's.

Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme. Valuation has been made as per the Prudential Norms/Directions of RBI, as applicable to NBFC's.

#### **III) Subsequent measurement :**

##### **Amortised Cost**

Amortised Cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation and fees or costs, adjusted for any loss allowance.

##### **Fair Valuation**

Fair value is the price that is expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or, in its absence, the most advantageous market to which the Company has access at that date.

## ADVENTZ SECURITIES ENTERPRISES LIMITED

### Notes to the financial statements for the year ended 31st March, 2020

#### **IV) De-recognition of financial assets and financial liabilities :**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### **V) Impairment of Assets :**

As required under 'IND AS 36- Impairment of Assets', the carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal/external factors, i.e when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired.

**g) Investment in subsidiaries, associates and joint ventures :** The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

**h) Income taxes :** Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- I) **Current Tax :** Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.
- II) **Deferred Tax :** Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

## ADVENTZ SECURITIES ENTERPRISES LIMITED

### Notes to the financial statements for the year ended 31st March, 2020

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are to be offset by the Company.

**i) Property, Plant and Equipment :** Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. All assets given on operating lease are shown at the cost of acquisition less accumulated depreciation.

**Depreciation and amortisation -** Depreciation on fixed assets is provided using the WDV method at the rates specified in Schedule II to the Companies Act, 2013. Depreciation is calculated on a prorata basis from the date of installation till the date the assets are sold or disposed. The estimated useful lives of assets for the current period are as follows:

| Category             | Useful Life |
|----------------------|-------------|
| Furniture & Fixtures | 10 Years    |
| Vehicles             | 8 Years     |
| Office Equipments    |             |
| - Computers          | 3 Years     |
| - Fax Machine        | 5 Years     |
| - Others             | 5 Years     |

#### **De-recognition**

An item of property, plant and equipment or investment property is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Transition to Ind AS** The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as of 1 April, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

**j) Provisions, Contingent Liabilities and Contingent Assets :** Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable.

Contingent liabilities are shown by way of notes to the accounts in respect of obligations, where, based on the evidence available, their existence at the balance sheet date is considered not probable.

Contingent assets are not recognized in the accounts.

**k) Contingent liabilities and contingent assets :** A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an



## **ADVENTZ SECURITIES ENTERPRISES LIMITED**

### **Notes to the financial statements for the year ended 31st March, 2020**

outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

**l) Provision/ Write off :** The company makes provision for Standard, Restructured and Non-performing Assets as per the Non-Systematically Important Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended from time to time. The company also makes additional provision, to the extent considered necessary, and based on the management's best estimate.

Loans and Advances which, as per the management are not likely to be recovered are considered as bad debts and written off.

**m) Cash and Cash equivalent :** For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**n) Cash Flow Statement :** Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**o) Inventories :** Stock of land is valued at cost. Stock of Equity Shares valued at cost or reliable value whichever is lower.

**p) Employee Retirement Benefit :** Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered. Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

**q) Segment Reporting :** The Company operates in one segment i.e. Investment & Finance only. Hence, Segment reporting as required under IND AS 108- Segment reporting is not applicable.

**NOTE NO. 2 : CASH & CASH EQUIVALANTS**

Amount in Rs

|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|---|-------------------------|-------------------------|-------------------------|
| Cash on Hand (as certified by the Management) | 992                     | 1,447                   | 20,216                  |
| Balances with Bank (in Current Account)       | 1,24,93,006             | 36,00,126               | 86,46,002               |
| Cheque in Hand                                | 11,78,072               | 4,00,00,000             | -                       |
|   | <b>1,36,72,070</b>      | <b>4,36,01,573</b>      | <b>86,66,218</b>        |

Notes to the financial statements for the year ended 31st March, 2020

**NOTE NO 3 : LOAN**

Amount in Rs

| Particulars                                 | As at 31st March, 2020 |                                    |                        |   |          |                     | As at 31st March, 2019 |                                    |                        |   |          |                     | As at 1st April, 2018 |                                    |                        |   |          |                     |
|---|------------------------|------------------------------------|------------------------|---|----------|---------------------|------------------------|------------------------------------|------------------------|---|----------|---------------------|-----------------------|------------------------------------|------------------------|---|----------|---------------------|
|   | Amortised Cost         | At Fair Value                      |                        |   |          | Total               | Amortised Cost         | At Fair Value                      |                        |   |          | Total               | Amortised Cost        | At Fair Value                      |                        |   |          | Total               |
|   |                        | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal |                     |                        | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal |                     |                       | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal |                     |
| <b>Loans</b>                                |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |
| A) i) Term Loans                            | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   |
| ii) Other Loans                             |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |
| Intercorporate Deposits                     | 38,36,15,900           | -                                  | -                      | -   | -        | 38,36,15,900        | 30,94,70,360           | -                                  | -                      | -   | -        | 30,94,70,360        | 18,37,40,903          | -                                  | -                      | -   | -        | 18,37,40,903        |
| <b>Total (A) Gross</b>                      | <b>38,36,15,900</b>    |                                    |                        |   |          | <b>38,36,15,900</b> | <b>30,94,70,360</b>    |                                    |                        |   |          | <b>30,94,70,360</b> | <b>18,37,40,903</b>   |                                    |                        |   |          | <b>18,37,40,903</b> |
| Less : Impairment Loss                      |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |
| Allowance                                   | 96,11,716              | -                                  | -                      | -   | -        | 96,11,716           | 3,50,000               | -                                  | -                      | -   | -        | 3,50,000            | 35,000                | -                                  | -                      | -   | -        | 35,000              |
| <b>Total (A) Net</b>                        | <b>37,40,04,184</b>    |                                    |                        |   |          | <b>37,40,04,184</b> | <b>30,91,20,360</b>    |                                    |                        |   |          | <b>30,91,20,360</b> | <b>18,37,05,903</b>   |                                    |                        |   |          | <b>18,37,05,903</b> |
| B) i) Secured by tangible assets/cash flows | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   |
| ii) Secured by intangible assets            | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   |
| iii) Covered by Bank/Government Guarantees  | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   |
| iv) Unsecured                               | 38,36,15,900           | -                                  | -                      | -   | -        | 38,36,15,900        | 30,94,70,360           | -                                  | -                      | -   | -        | 30,94,70,360        | 18,37,40,903          | -                                  | -                      | -   | -        | 18,37,40,903        |
| <b>Total (B) Gross</b>                      | <b>38,36,15,900</b>    |                                    |                        |   |          | <b>38,36,15,900</b> | <b>30,94,70,360</b>    |                                    |                        |   |          | <b>30,94,70,360</b> | <b>18,37,40,903</b>   |                                    |                        |   |          | <b>18,37,40,903</b> |
| Less : Impairment Loss                      |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |
| Allowance                                   | 96,11,716              | -                                  | -                      | -   | -        | 96,11,716           | 3,50,000               | -                                  | -                      | -   | -        | 3,50,000            | 35,000                | -                                  | -                      | -   | -        | 35,000              |
| <b>Total (B) Net</b>                        | <b>37,40,04,184</b>    |                                    |                        |   |          | <b>37,40,04,184</b> | <b>30,91,20,360</b>    |                                    |                        |   |          | <b>30,91,20,360</b> | <b>18,37,05,903</b>   |                                    |                        |   |          | <b>18,37,05,903</b> |
| C) i) Loans in India                        |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |
| - Public Sector                             | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   |
| - Others                                    | 38,36,15,900           | -                                  | -                      | -   | -        | 38,36,15,900        | 30,94,70,360           | -                                  | -                      | -   | -        | 30,94,70,360        | 18,37,40,903          | -                                  | -                      | -   | -        | 18,37,40,903        |
| <b>Total (C)(i) Gross</b>                   | <b>38,36,15,900</b>    |                                    |                        |   |          | <b>38,36,15,900</b> | <b>30,94,70,360</b>    |                                    |                        |   |          | <b>30,94,70,360</b> | <b>18,37,40,903</b>   |                                    |                        |   |          | <b>18,37,40,903</b> |
| Less : Impairment Loss                      |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |
| Allowance                                   | 96,11,716              | -                                  | -                      | -   | -        | 96,11,716           | 3,50,000               | -                                  | -                      | -   | -        | 3,50,000            | 35,000                | -                                  | -                      | -   | -        | 35,000              |
| <b>Total (C)(i) Net</b>                     | <b>37,40,04,184</b>    |                                    |                        |   |          | <b>37,40,04,184</b> | <b>30,91,20,360</b>    |                                    |                        |   |          | <b>30,91,20,360</b> | <b>18,37,05,903</b>   |                                    |                        |   |          | <b>18,37,05,903</b> |
| ii) Loans Outside India                     |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |
| Less : Impairment Loss                      |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |
| Allowance                                   | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   |
| <b>Total (C)(ii) Net</b>                    | <b>-</b>               |                                    |                        |   |          | <b>-</b>            | <b>-</b>               |                                    |                        |   |          | <b>-</b>            | <b>-</b>              |                                    |                        |   |          | <b>-</b>            |
| <b>Total (C)(i) &amp; (C)(ii)</b>           | <b>37,40,04,184</b>    |                                    |                        |   |          | <b>37,40,04,184</b> | <b>30,91,20,360</b>    |                                    |                        |   |          | <b>30,91,20,360</b> | <b>18,37,05,903</b>   |                                    |                        |   |          | <b>18,37,05,903</b> |

Notes to the financial statements for the year ended 31st March, 2020

NOTE NO. 4 : INVESTMENTS

Amount in RS

| Particulars   | As at 31st March, 2020 |                                    |                        |   |                     |                    |                     | As at 31st March, 2019 |                                    |                        |   |                     |                    |                     | As at 1st April, 2018 |                                    |                        |   |                     |                    |                     |
|---|------------------------|------------------------------------|------------------------|---|---------------------|--------------------|---------------------|------------------------|------------------------------------|------------------------|---|---------------------|--------------------|---------------------|-----------------------|------------------------------------|------------------------|---|---------------------|--------------------|---------------------|
|   | Amortised Cost         | At Fair Value                      |                        |   |                     | Others*            | Total               | Amortised Cost         | At Fair Value                      |                        |   |                     | Others*            | Total               | Amortised Cost        | At Fair Value                      |                        |   |                     | Others*            | Total               |
|   |                        | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal            |                    |                     |                        | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal            |                    |                     |                       | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal            |                    |                     |
| i) Mutual Funds                                     | -                      | -                                  | 40,10,417              | -   | 40,10,417           | -                  | 40,10,417           | -                      | -                                  | 2,87,35,769            | -   | 2,87,35,769         | -                  | 2,87,35,769         | -                     | -                                  | 71,12,036              | -   | 71,12,036           | -                  | 71,12,036           |
| ii) Government securities                           | -                      | -                                  | -                      | -   | -                   | -                  | -                   | -                      | -                                  | -                      | -   | -                   | -                  | -                   | 2,000                 | -                                  | -                      | -   | 2,000               | -                  | 2,000               |
| iii) Equity instruments                             | -                      | 41,20,61,123                       | -                      | -   | 41,20,61,123        | -                  | 41,20,61,123        | -                      | 74,00,11,000                       | -                      | -   | 74,00,11,000        | -                  | 74,00,11,000        | -                     | 95,53,34,788                       | -                      | -   | 95,53,34,788        | -                  | 95,53,34,788        |
| iv) Associates                                      | -                      | -                                  | -                      | -   | -                   | 3,22,95,283        | 3,22,95,283         | -                      | -                                  | -                      | -   | -                   | 3,22,95,283        | 3,22,95,283         | -                     | -                                  | -                      | -   | -                   | 3,22,95,283        | 3,22,95,283         |
| v) Bond & Debentures                                | -                      | -                                  | -                      | -   | -                   | -                  | -                   | -                      | -                                  | -                      | -   | -                   | -                  | -                   | -                     | 4,400                              | -                      | -   | 4,400               | -                  | 4,400               |
| vi) In Units of Trusts and schemes of Venture Funds | -                      | 30,000                             | -                      | -   | 30,000              | -                  | 30,000              | -                      | 30,000                             | -                      | -   | 30,000              | -                  | 30,000              | -                     | 30,000                             | -                      | -   | 30,000              | -                  | 30,000              |
| <b>Total – Gross A</b>                              | -                      | <b>41,20,91,123</b>                | <b>40,10,417</b>       | -   | <b>41,61,01,540</b> | <b>3,22,95,283</b> | <b>44,83,96,823</b> | -                      | <b>74,00,41,000</b>                | <b>2,87,35,769</b>     | -   | <b>76,87,76,768</b> | <b>3,22,95,283</b> | <b>80,10,72,051</b> | -                     | <b>95,53,71,188</b>                | <b>71,12,036</b>       | -   | <b>96,24,83,224</b> | <b>3,22,95,283</b> | <b>99,47,78,507</b> |
| (i) Investments in India                            | -                      | 41,20,91,123                       | 40,10,417              | -   | 41,61,01,540        | 3,22,95,283        | 44,83,96,823        | -                      | 74,00,41,000                       | 2,87,35,769            | -   | 76,87,76,768        | 3,22,95,283        | 80,10,72,051        | -                     | 95,53,71,188                       | 71,12,036              | -   | 96,24,83,224        | 3,22,95,283        | 99,47,78,507        |
| (ii) Investments outside India                      | -                      | -                                  | -                      | -   | -                   | -                  | -                   | -                      | -                                  | -                      | -   | -                   | -                  | -                   | -                     | -                                  | -                      | -   | -                   | -                  | -                   |
| <b>Total – Gross B</b>                              | -                      | <b>41,20,91,123</b>                | <b>40,10,417</b>       | -   | <b>41,61,01,540</b> | <b>3,22,95,283</b> | <b>44,83,96,823</b> | -                      | <b>74,00,41,000</b>                | <b>2,87,35,769</b>     | -   | <b>76,87,76,768</b> | <b>3,22,95,283</b> | <b>80,10,72,051</b> | -                     | <b>95,53,71,188</b>                | <b>71,12,036</b>       | -   | <b>96,24,83,224</b> | <b>3,22,95,283</b> | <b>99,47,78,507</b> |
| Less: Impairment loss allowance (C)                 | -                      | -                                  | -                      | -   | -                   | -                  | -                   | -                      | -                                  | -                      | -   | -                   | -                  | -                   | 40,79,594             | -                                  | -                      | -   | 40,79,594           | -                  | 40,79,594           |
| <b>Total – Net D=(A)-(C)</b>                        | -                      | <b>41,20,91,123</b>                | <b>40,10,417</b>       | -   | <b>41,61,01,540</b> | <b>3,22,95,283</b> | <b>44,83,96,823</b> | -                      | <b>74,00,41,000</b>                | <b>2,87,35,769</b>     | -   | <b>76,87,76,768</b> | <b>3,22,95,283</b> | <b>80,10,72,051</b> | -                     | <b>95,12,91,594</b>                | <b>71,12,036</b>       | -   | <b>95,84,03,630</b> | <b>3,22,95,283</b> | <b>99,06,98,913</b> |

**Notes to the financial statements for the year ended 31st March, 2020**

**NOTE NO. 5 : OTHER FINANCIAL ASSETS**

| Amount in Rs  |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|
|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
| <b><u>Inventories</u></b>   |                         |                         |                         |
| <i>Quoted Equity Shares (Cost or Market Value whichever is lower)<br/>of Bharat Road Networks Ltd. of Rs.10/- each<br/>(No.of Shares 2326200)</i> | -                       | 21,36,61,470            | 22,34,55,120            |
| Dividend Receivable   | 13,33,199               | -                       | -                       |
| <b><u>Other Advances</u></b>  |                         |                         |                         |
| Unsecured-Considered Good<br>Loans & Advances   | 50,000                  | -                       | -                       |
| Unsecured-Considered Doubtful<br>Loans & Advances   | 1,03,23,000             | 1,03,73,000             | 1,03,73,000             |
| Less : Provision  | (1,03,23,000)           | -                       | -                       |
|   | <b>13,83,199</b>        | <b>22,40,34,470</b>     | <b>23,38,28,120</b>     |

**NOTE NO. 6 : INVENTORIES**

| Amount in Rs                                |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|
|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
| <b><u>Land - at Cost</u></b>                |                         |                         |                         |
| <i>Land at Chingrihata (5B.8Cot. 8 Ch.)</i> | 2,31,500                | 2,31,500                | 2,31,500                |
|   | <b>2,31,500</b>         | <b>2,31,500</b>         | <b>2,31,500</b>         |

Above land have been transferred to the company vide order of the Hon'ble Calcutta High Court and yet to be mutated in the name of the Company.

**NOTE NO. 7 : CURRENT TAX ASSETS**

| Amount in Rs                    |                         |                         |                         |
|---------------------------------|-------------------------|-------------------------|-------------------------|
|                                 | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
| Advance Tax (Net of Provisions) | 1,76,06,754             | 1,71,41,660             | 1,48,99,293             |
|                                 | <b>1,76,06,754</b>      | <b>1,71,41,660</b>      | <b>1,48,99,293</b>      |

Notes to the financial statements for the year ended 31st March, 2020

NOTE NO. 8 : PROPERTY, PLANT AND EQUIPMENT

Amount in Rs

| Description                    | Gross Block             |                 |                        |                         | Accumulated depreciation/ amortisation |                   |                        |                        | Net book value          |                         |
|--------------------------------|-------------------------|-----------------|------------------------|-------------------------|--|-------------------|------------------------|------------------------|-------------------------|-------------------------|
|                                | As at<br>31 March, 2019 | Additions       | Sales /<br>Adjustments | As at<br>31 March, 2020 | Upto<br>31 March, 2019                 | For the<br>Period | Sales /<br>Adjustments | Upto<br>31 March, 2020 | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
| <b>Tangible Assets</b>         |                         |                 |                        |                         |  |                   |                        |                        |                         |                         |
| Leasehold Land                 | 30,934                  | -               | -                      | 30,934                  | -                                      | -                 | -                      | -                      | 30,934                  | 30,934                  |
| Buildings                      | 69,56,009               | -               | -                      | 69,56,009               | 62,44,083                              | -                 | -                      | 62,44,083              | 7,11,926                | 7,11,926                |
| Furniture & Fixtures           | 6,85,380                | 32,850          | -                      | 7,18,230                | 6,49,983                               | 6,424             | -                      | 6,56,407               | 61,823                  | 35,397                  |
| Vehicles                       | 30,30,288               | -               | -                      | 30,30,288               | 10,18,274                              | 6,28,350          | -                      | 16,46,624              | 13,83,664               | 20,12,014               |
| Computer                       | 12,50,888               | -               | -                      | 12,50,888               | 10,60,043                              | 91,516            | -                      | 11,51,559              | 99,329                  | 1,90,845                |
| Office Equipments              | 12,70,608               | 3,27,683        | (14,000)               | 15,84,291               | 8,93,787                               | 2,55,075          | (9,096)                | 11,39,766              | 4,44,525                | 3,76,821                |
| <b>Total</b>                   | <b>1,32,24,107</b>      | <b>3,60,533</b> | <b>(14,000)</b>        | <b>1,35,70,640</b>      | <b>98,66,170</b>                       | <b>9,81,365</b>   | <b>(9,096)</b>         | <b>1,08,38,439</b>     | <b>27,32,201</b>        | <b>33,57,937</b>        |
| <b>Previous Year's figures</b> | 1,10,12,544             | 22,76,107       | (7,47,499)             | 1,25,41,152             | 95,44,953                              | 6,10,480          | (7,10,124)             | 94,45,309              | 30,95,843               | -                       |

Note : The Land being leased from Kolkata Port Trust have expired (Refer Note No. 28 & 29)

NOTE NO. 8 : PROPERTY, PLANT AND EQUIPMENT

Amount in Rs

| Description            | Gross Block            |                  |                        |                         | Accumulated depreciation/ amortisation |                   |                        |                        | Net book value          |                        |
|------------------------|------------------------|------------------|------------------------|-------------------------|--|-------------------|------------------------|------------------------|-------------------------|------------------------|
|                        | As at<br>1 April, 2018 | Additions        | Sales /<br>Adjustments | As at<br>31 March, 2019 | As at<br>1 April, 2018                 | For the<br>Period | Sales /<br>Adjustments | Upto<br>31 March, 2019 | As at<br>31 March, 2019 | As at<br>1 April, 2018 |
| <b>Tangible Assets</b> |                        |                  |                        |                         |  |                   |                        |                        |                         |                        |
| Leasehold Land         | 30,934                 | -                | -                      | 30,934                  | -                                      | -                 | -                      | -                      | 30,934                  | 30,934                 |
| Buildings              | 69,56,009              | -                | -                      | 69,56,009               | 62,44,083                              | -                 | -                      | 62,44,083              | 7,11,926                | 7,11,926               |
| Furniture & Fixtures   | 6,85,380               | -                | -                      | 6,85,380                | 6,49,279                               | 704               | -                      | 6,49,983               | 35,397                  | 36,101                 |
| Vehicles               | 25,80,496              | 13,58,461        | (9,08,669)             | 30,30,288               | 9,70,784                               | 8,13,855          | (7,66,365)             | 10,18,274              | 20,12,014               | 16,09,712              |
| Computer               | 11,24,592              | 1,26,296         | -                      | 12,50,888               | 9,39,434                               | 1,20,609          | -                      | 10,60,043              | 1,90,845                | 1,85,158               |
| Office Equipments      | 11,63,741              | 1,06,867         | -                      | 12,70,608               | 6,41,729                               | 2,52,058          | -                      | 8,93,787               | 3,76,821                | 5,22,012               |
| <b>Total</b>           | <b>1,25,41,152</b>     | <b>15,91,624</b> | <b>(9,08,669)</b>      | <b>1,32,24,107</b>      | <b>94,45,309</b>                       | <b>11,87,226</b>  | <b>(7,66,365)</b>      | <b>98,66,170</b>       | <b>33,57,937</b>        | <b>30,95,843</b>       |

Notes to the financial statements for the year ended 31st March, 2020

**NOTE NO. 9 : OTHER NON FINANCIAL ASSETS**

Amount in Rs

|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|---|-------------------------|-------------------------|-------------------------|
| Security Deposit (Interest Free)              | 26,69,074               | 26,69,074               | 26,18,824               |
| Balance with Statutory/Government Authorities | 1,76,688                | 1,76,688                | 1,76,690                |
| Advances to Employees (Short Term)            | 2,41,200                | 1,00,000                | 78,300                  |
| Other Advances                                | 12,10,471               | 12,10,471               | 12,10,471               |
| Pre Paid Expenses/Advances against Expenses   | 1,33,815                | 1,36,078                | 1,34,312                |
| Rent Receivables-Unsecured-Considerd Good     | 4,65,815                | 20,06,456               | 20,06,456               |
|   | <b>48,97,063</b>        | <b>62,98,767</b>        | <b>62,25,053</b>        |

**NOTE NO. 10 : BORROWINGS (OTHER THAN DEBT SECURITIES)**

Amount in Rs

| Particulars                   | As at 31st March, 2020 |                                       |   |                     | As at 31st March, 2019 |                                       |   |                     | As at 1st April, 2018 |                                       |   |                     |
|-------------------------------|------------------------|---------------------------------------|---|---------------------|------------------------|---------------------------------------|---|---------------------|-----------------------|---------------------------------------|---|---------------------|
|                               | At Amortised Cost      | At Fair Value Through profit and loss | Designated at fair value through profit or loss | Total               | At Amortised Cost      | At Fair Value Through profit and loss | Designated at fair value through profit or loss | Total               | At Amortised Cost     | At Fair Value Through profit and loss | Designated at fair value through profit or loss | Total               |
| (a) Loans repayable on demand |                        |                                       |   |                     |                        |                                       |   |                     |                       |                                       |   |                     |
| Unsecured                     |                        |                                       |   |                     |                        |                                       |   |                     |                       |                                       |   |                     |
| Inter Corporate Deposits      | 24,19,98,482           | -                                     | -   | 24,19,98,482        | 59,09,28,482           | -                                     | -   | 59,09,28,482        | 28,05,75,880          | -                                     | -   | 28,05,75,880        |
| <b>Total (a)</b>              | <b>24,19,98,482</b>    | <b>-</b>                              | <b>-</b>  | <b>24,19,98,482</b> | <b>59,09,28,482</b>    | <b>-</b>                              | <b>-</b>  | <b>59,09,28,482</b> | <b>28,05,75,880</b>   | <b>-</b>                              | <b>-</b>  | <b>28,05,75,880</b> |
| (b) Borrowings in India       | 24,19,98,482           | -                                     | -   | 24,19,98,482        | 59,09,28,482           | -                                     | -   | 59,09,28,482        | 28,05,75,880          | -                                     | -   | 28,05,75,880        |
| Borrowings outside India      |                        |                                       |   |                     |                        |                                       |   |                     |                       |                                       |   |                     |
| <b>Total (b)</b>              | <b>24,19,98,482</b>    | <b>-</b>                              | <b>-</b>  | <b>24,19,98,482</b> | <b>59,09,28,482</b>    | <b>-</b>                              | <b>-</b>  | <b>59,09,28,482</b> | <b>28,05,75,880</b>   | <b>-</b>                              | <b>-</b>  | <b>28,05,75,880</b> |

(\$) Includes Sales Tax Loan from WBIDC Ltd. for ` 8,170,967 under Incentive Scheme of Govt. of West Bengal which was repayable as follows:

|  |           |
|--|-----------|
| Installments falling due on 31.03.2001 | 7,04,233  |
| Installments falling due on 31.03.2002 | 9,34,734  |
| Installments falling due on 30.06.2004 | 21,76,833 |
| Installments falling due on 30.06.2005 | 21,76,833 |
| Installments falling due on 30.06.2006 | 21,78,334 |

Unsecured loan from Calcutta Tramways Corporation Ltd. has been transferred on Amalgamation to the Company as per Order of Hon'ble Calcutta High Court. No repayment of the same has been made and interest on the same has not been accounted for.

**NOTE NO. 11 : PROVISIONS**

Amount in Rs

|  | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|--|-------------------------|-------------------------|-------------------------|
| Contingent Provision against Standard Assets | 7,72,801                | 7,72,801                | 4,58,477                |
|  | <b>7,72,801</b>         | <b>7,72,801</b>         | <b>4,58,477</b>         |

**NOTE NO. 12 : DEFERRED TAX LIABILITIES (net)**

Amount in Rs

|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|---|-------------------------|-------------------------|-------------------------|
| <b>Deferred Tax Liability</b>   |                         |                         |                         |
| Taxation impact on valuation of Investment valued under Other Comprehensive Income                        | 5,87,91,689             | 13,38,26,621            | 18,21,60,757            |
| (A)   | <b>5,87,91,689</b>      | <b>13,38,26,621</b>     | <b>18,21,60,757</b>     |
| <b>Deferred Tax Assets</b>  |                         |                         |                         |
| Tax impact on difference between book value of depreciable assets and written down value for tax purposes | 2,55,762                | 1,71,885                | 1,71,885                |
| Tax impact of unabsorbed depreciation and losses  | 46,01,933               | 33,79,953               | 33,79,953               |
| Tax impact of expenses charged to statement of profit & loss but allowance under tax laws deferred        | 49,49,682               | 3,65,441                | 3,65,441                |
| (B)   | <b>98,07,377</b>        | <b>39,17,279</b>        | <b>39,17,279</b>        |
| (A+B)   | <b>4,89,84,312</b>      | <b>12,99,09,342</b>     | <b>17,82,43,478</b>     |

Deferred Tax assets has not been recognised on short term capital loss of Rs.17.18 crores due to absence of virtual certainty of future gain

**NOTE NO. 13 : OTHER NON-FINANCIAL LIABILITIES**

Amount in Rs

|                                    | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Security Deposit (Interest Free)   | 4,18,580                | 4,18,580                | 4,18,580                |
| Statutory Dues Payable             | 7,29,766                | 20,67,857               | 20,37,429               |
| Lease Rent Payable                 | 52,14,156               | 51,89,156               | 53,64,156               |
| Advance from Customers             | 40,260                  | 40,260                  | 40,260                  |
| Other Payables (year end accruals) | 5,91,765                | 4,63,321                | 2,98,734                |
|                                    | <b>69,94,527</b>        | <b>81,79,174</b>        | <b>81,59,159</b>        |

**Notes to the financial statements for the year ended 31st March, 2020**

**NOTE NO. 14 : EQUITY**

| Particulars                                 | As at 31-03-2020 |                    | As at 31-03-2019 |                    | As at 01-04-2018 |                    |
|---|------------------|--------------------|------------------|--------------------|------------------|--------------------|
|   | Nos.             | Amount in Rs       | Nos.             | Amount in Rs       | Nos.             | Amount in Rs       |
| <b>a) Capital Structure</b>                 |                  |                    |                  |                    |                  |                    |
| <b>Authorised</b>                           |                  |                    |                  |                    |                  |                    |
| Equity Shares of Rs. 10/- each              | 56,50,000        | 5,65,00,000        | 56,50,000        | 5,65,00,000        | 56,50,000        | 5,65,00,000        |
| <b>Issued, Subscribed and Fully Paid Up</b> |                  |                    |                  |                    |                  |                    |
| Equity Shares of Rs. 10/- each              | 56,27,787        | 5,62,77,870        | 56,27,787        | 5,62,77,870        | 56,27,787        | 5,62,77,870        |
| <b>b) Share Capital Reconciliation</b>      |                  |                    |                  |                    |                  |                    |
| <b>Equity Shares</b>                        |                  |                    |                  |                    |                  |                    |
| Opening balance                             | 56,27,787        | 5,62,77,870        | 56,27,787        | 5,62,77,870        | 56,27,787        | 5,62,77,870        |
| Add : Issued during the period              | -                | -                  | -                | -                  | -                | -                  |
| <b>Closing Balance</b>                      | <b>56,27,787</b> | <b>5,62,77,870</b> | <b>56,27,787</b> | <b>5,62,77,870</b> | <b>56,27,787</b> | <b>5,62,77,870</b> |

**Equity Shares**

i) The Company has only one class of equity shares having a par value of Rs.10/- each. Each shareholder of equity share is entitled to one vote per share.

ii) 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 share held by the shareholders.

iii) Company has not brought back or issue bonus or issue shares for consideration other than cash during the five year period immediately preceding the reporting date.

**c) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date**

| Name of Shareholders                        | As at 31-03-2020 |                   | As at 31-03-2019 |                   | As at 01-04-2018 |                   |
|---|------------------|-------------------|------------------|-------------------|------------------|-------------------|
|   | No. of Shares    | % of Shareholding | No. of Shares    | % of Shareholding | No. of Shares    | % of Shareholding |
| Adventz Finance Pvt. Ltd. (Holding Company) | 36,32,528        | 64.55%            | 36,32,528        | 64.55%            | 36,32,528        | 64.55%            |
| Poddar Projects Ltd.                        | 3,96,000         | 7.04%             | 3,96,000         | 7.04%             | 3,96,000         | 7.04%             |
| Saroj Kumar Poddar                          | 3,61,110         | 6.42%             | 3,61,110         | 6.42%             | 3,61,110         | 6.42%             |

**NOTE NO. 15 : OTHER EQUITY**

| Particulars  | Amount in Rs        |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at 31-03-2020    | As at 31-03-2019    | As at 01-04-2018    |
| <b>Capital Reserves - State Capital Subsidy</b>                | <b>37,17,000</b>    | 37,17,000           | 37,17,000           |
| <b>General Reserve (on amalgamation)</b>                       | <b>4,18,56,700</b>  | 4,18,56,700         | 4,18,56,700         |
| <b>Reserve Fund (RBI)</b>                                      |                     |                     |                     |
| Opening balance  | 5,24,40,000         | 5,24,40,000         | 5,24,40,000         |
| Add: Transfer during the year                                  | 3,00,00,000         | -                   | -                   |
| Closing Balance  | <b>8,24,40,000</b>  | 5,24,40,000         | 5,24,40,000         |
| <b>Surplus/(Deficit) in the Statement of Profit &amp; Loss</b> |                     |                     |                     |
| Opening balance  | 6,96,97,009         | 20,56,25,881        | 22,23,67,912        |
| Profit for the year  | 14,20,20,091        | (13,59,69,813)      | (2,35,28,286)       |
| Add : MAT Credit Entitlement                                   | -                   | -                   | 67,86,255           |
| Add: Income Tax Adjustments                                    | 8                   | 40,941              | -                   |
| Less: Transfer to Reserve Fund                                 | (3,00,00,000)       | -                   | -                   |
| Net Surplus at the end of the year                             | <b>18,17,17,108</b> | 6,96,97,009         | 20,56,25,881        |
| <b>Equity Instruments through other comprehensive income</b>   |                     |                     |                     |
| Opening balance  | 45,10,79,939        | 61,39,96,398        | -                   |
| Add: Transfer during the year                                  | (25,29,14,946)      | (16,29,16,458)      | 61,39,96,398        |
| Closing Balance  | <b>19,81,64,994</b> | 45,10,79,939        | 61,39,96,398        |
| <b>Total</b>   | <b>50,78,95,802</b> | <b>61,87,90,649</b> | <b>91,76,35,979</b> |

**Other Equity**

i) Statutory Reserve Fund (RBI) : Statutory Reserve Fund represents the Reserve Fund created under section 45IC of the Reserve Bank of India Act, 1934. Under Section 45IC, the Company is required to transfer a sum not less than twenty percent of its net profit for the financial year to the statutory reserve. The statutory reserve can be utilised for the purposes as may be specified by the Reserve Bank of India from time to time.

ii) General Reserve (on Amalgamation) : General Reserve created and set aside on Amalgamation and merger. It is utilised in accordance with the provisions of Companies Act, 2013.

iii) Capital Reserve (State Capital Subsidy) : Capital Reserve created and set aside on account of capital subsidy received from the State Government . It is utilised in accordance with the provisions of Companies Act, 2013.



Notes to the financial statements for the year ended 31st March, 2020

**NOTE NO. 16 : INTEREST INCOME**

Amount in Rs

|                   | 2019-20  |  |   | 2018-19  |  |   |
|-------------------|--|--|---|--|--|---|
|                   | On Financial Assets measured at fair value through OCI | On Financial Assets measured at Amortised Cost | Interest Income on Financial Assets classified at fair value through profit or loss | On Financial Assets measured at fair value through OCI | On Financial Assets measured at Amortised Cost | Interest Income on Financial Assets classified at fair value through profit or loss |
| Interest on Loans | -  | 3,07,98,371                                    | -   | -  | 2,42,08,184                                    | -   |
|                   | -  | 3,07,98,371                                    | -   | -  | 2,42,08,184                                    | -   |

**NOTE NO. 17 : NET GAIN ON FAIR VALUE CHANGES**

Amount in Rs

|   | 2019-20           | 2018-19         |
|---|-------------------|-----------------|
| (a) <u>Net gain/ (loss) on financial instruments at fair value through profit or loss</u> |                   |                 |
| (i) On trading portfolio  |                   |                 |
| - Investments : Mutual Funds  | -13,56,604        | 7,90,362        |
| <b>Total Net gain/(loss) on fair value changes</b>  | <b>-13,56,604</b> | <b>7,90,362</b> |
| (b) Fair Value Changes:   |                   |                 |
| - Realised  |                   |                 |
| - Unrealised  |                   |                 |
| <b>Total Net gain/(loss) on fair value changes(b) to tally with (a)</b>                   |                   |                 |

**NOTE NO. 18 : OTHER INCOME**

Amount in Rs

|   | 2019-20         | 2018-19         |
|---|-----------------|-----------------|
| Interest on Income Tax Refund                   | 2,49,948        | -               |
| Profit on Sale of Property, Plant and Equipment | -               | 2,07,696        |
| Others  | 15,000          | 10,849          |
|   | <b>2,64,948</b> | <b>2,18,545</b> |

**NOTE NO. 19 : FINANCE COST**

Amount in Rs

|                        | 2019-20  |  | 2018-19  |  |
|------------------------|--|--|--|--|
|                        | On Financial liabilities measured at fair value through profit or loss | On Financial Assets measured at Amortised Cost | On Financial liabilities measured at fair value through profit or loss | On Financial Assets measured at Amortised Cost |
| Interest on borrowings | -  | -  | -  | 2,72,42,054                                    |
|                        | -  | -  | -  | <b>2,72,42,054</b>                             |

**NOTE NO. 20 : CHANGE IN INVENTORY**

|                                | Amount in Rs        |                  |
|--------------------------------|---------------------|------------------|
|                                | 2019-20             | 2018-19          |
| Opening Stock                  | 21,38,92,970        | 22,36,86,620     |
| Less - Closing Stock           | 2,31,500            | 21,38,92,970     |
| <b>Net Change in Inventory</b> | <b>21,36,61,470</b> | <b>97,93,650</b> |
|                                |                     |                  |

**NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES**

|   | Amount in Rs     |                  |
|---|------------------|------------------|
|   | 2019-20          | 2018-19          |
| Salaries, Wages & Allowances              | 65,48,176        | 58,88,151        |
| Contribution to Provident and Other Funds | 6,78,181         | 5,98,039         |
| Staff Welfare Expenses                    | 78,186           | 75,114           |
|   | <b>73,04,543</b> | <b>65,61,304</b> |
|   |                  |                  |

**NOTE NO. 22 : OTHER EXPENSES**

|  | Amount in Rs       |                  |
|--|--------------------|------------------|
| Particulars                                | 2019-20            | 2018-19          |
| Rent                                       | 3,00,000           | 3,00,000         |
| Rates & Taxes                              | 4,800              | 4,650            |
| CSR Donation                               | -                  | 50,000           |
| Insurance                                  | 3,00,336           | 2,24,564         |
| Establishment Charges                      | 1,88,780           | 1,76,893         |
| Electricity Charges                        | 79,939             | 97,375           |
| Legal, Professional & Consultancy Expenses | 9,35,003           | 6,04,574         |
| Travelling & Conveyance                    | 1,15,227           | 3,47,438         |
| Telephone Charges                          | 1,08,485           | 1,63,543         |
| Repairs & Maintenance                      | 83,794             | 3,51,424         |
| Auditors' Remuneration                     |                    |                  |
| Audit Fees                                 | 1,41,600           | 1,06,200         |
| Certification Fees                         | 2,62,550           | 53,100           |
| Motor Car Expenses                         | 4,95,721           | 4,07,692         |
| Listing & Registrar expenses               | 1,77,000           | 10,03,000        |
| Security Service Charges                   | 1,91,160           | 1,91,160         |
| Miscellaneous Expenses                     | 8,61,987           | 10,38,772        |
| Security Transaction Tax Paid              | 24                 | 1,14,504         |
| Provision for Standard Assets              | -                  | 3,14,324         |
| Provision for Sub-Standard/Doubtful Assets | 1,95,84,716        | 3,15,000         |
| Prior Period Expenses                      | -                  | 554              |
| Bad Debts                                  | 15,40,641          | -                |
|  | <b>2,53,71,763</b> | <b>58,64,767</b> |
|  |                    |                  |

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2020**

| <b>23. Contingent liabilities</b>  | Amount (Rs) | Amount (Rs) |
|--|-------------|-------------|
| (i) Contested demand of sales tax and penalty thereon for the years 1990-91,1991-92 & 1995-96  | 42,82,174   | 42,82,174   |
| (ii) Contested demand of Income Tax assesement year 1985-86, 1986-87, 1990-91, 1998-99, 2006-07, 2008-09, 2009-10, 2010-11 and 2011-12   | 47,92,384   | 47,92,384   |
| (iii) Contested demand of arrear rent charges including interest for the period June 1998 to May 2006 levied by the Estate Officer, Kolkata Port Trust in respect of lease premises at Taratala Road   | 2,78,05,395 | 2,78,05,395 |
| (iv) Partly paid up shares of company  | 3,500       | 3,500       |
| (v) Claims against Company not acknowledged as debts   | 19,67,205   | 19,67,205   |
| <p><b>24.</b> Demands from Central Excise and Customs Authorities claiming in aggregate Rs 8,32,280/- (P.Y. Rs 13,32,280/-) in respect of various matters are pending and being contested by the Company. This includes Rs 1,09,556/- of Central Excise liability though confirmed by appellate authorities, but since the verification to determine the final liability is pending, provision thereof shall be made only on confirmation. Similarly, pending finality of the other matters; no provision has been made for these in the accounts.</p>   |             |             |
| <p><b>25.</b> No provision for accrued liability of gratuity and leave encashment has been made in these accounts (amount unascertained).</p>  |             |             |
| <p><b>26.</b> Capital commitment over right and entitlement over constructed area in the Ishwarnagar Property in New Delhi is Nil (Previous year Nil) after netting off advances. The advances of Rs.98 Lacs (Previous Year 98 Lacs) paid by the Company for the said acquisition is outstanding for a long time and doubtful of transaction being completed necessary provision made in the accounts.</p>   |             |             |
| <p><b>27.</b></p>  |             |             |
| <p>(a) As per terms of settlement between the Company and West Bengal State Electricity Board ('WBSEB'), WBSEB had agreed to provide concession of Rs 375 lacs approx. in respect of maximum demand charges from August, 1982 onwards, if granted to other Mini Steel Plants by the Court or otherwise. As per the order dated 10th December, 1986, the Hon'ble Court at Kolkata had directed WBSEB to modify and amend maximum demand charges claimed by them from other Mini Steel Plants against which WBSEB preferred an appeal. The appeal filed by WBSEB has been allowed by the Court. The other Mini Steel Plants have filed special leave petition before the Hon'ble Supreme Court, which is pending. The Company is expecting substantial relief on this account, which will be accounted for on finality of the matter. Pending this, the arrear Maximum Demand charges, as amicably settled with WBSEB, have been paid by the Company. Liability of interest/late payment surcharge on this account being not finally determined, no provision thereof has been made in the accounts with effect from 01.04.1989.</p>                         |             |             |
| <p>(b) The matter with regard to Company's claim for interest on Rs 23.63 lacs being amount refunded by WBSEB against provisional bills for the months June, 1988 to December, 1988 is pending before the Hon'ble Court at Kolkata which will be accounted for on finality of the matter.</p>  |             |             |
| <p><b>28.</b> The agreement for godown at Paharpur taken on Lease from Kolkata Port Trust (KPT) has been expired in 2002 and the same is yet to be renewed by KPT. The Company have filed a petition before the Alipore District Court, Kolkata for renewal of lease which is pending before the Court. As per Direction of the said Court, the Company has deposited a sum of Rs.25 Lacs with the Registrar, pending outcome of the matter. KPT has also claimed compensation of Rs.1.36 Crores pertaining to the period 15.09.2002 to 26.08.2009. Further the said Court has also directed the Company to pay Rs.25000/- as monthly rent to KPT which the company has been regular in payment. The godown has been subleased to West Bengal State Warehousing Corporation (WBSWC) and the tenant has given rent till June, 2009 and thereafter no rent has been received from them. The company has filed suit against WBSWC for recovery and eviction of the said tenant which is pending for disposal. No rental income on the godown has been accounted for in the accounts till certainty of recovery.</p>   |             |             |
| <p><b>29.</b> The agreement for godown at Taratala taken on lease from KPT has expired in 1998 and eviction notice issued by KPT. As per direction of the Estate Officer, the company paid Rs.12 Lacs to KPT towards arrear rent. KPT has claimed compensation of Rs.278.05 Lacs for the period from June,1998 to May,2006, which was contested by the company. No accounting for the same has been done by the Company. The portion of the godown was sub-leased to M/s.Jogendra Prasad Nayak &amp; Sons who have vacated the godown and settled their dues in installments as per Settlement Agreement, but last installment is still pending. The balance area has been sub-leased to International Blending &amp; Warehousing Corporation, who has not paid rent since July,1985 and is still occupying the area. The Company has filed suit against the aforesaid tenants for recovery/eviction, which is pending for disposal. In cases of ongoing disputes and non-receipt, the rental income from aforesaid tenants is not accounted for till certainty of recovery thereof. Management feels it is prudent not to account for, until receipt.</p> |             |             |
| <p><b>30.</b> Balance in respect of certain Loans and Advances, Sundry Debtors are subject to confirmation from the respective parties and as such the recoverability thereof is unascertainable. Certain balances appearing in Sundry creditors, advance from customers' accounts, are also subject to confirmation.</p>  |             |             |
| <p><b>31.</b> The Company have sub-leased the godowns at Taratala and Paharpur taken on lease from Kolkata Port Trust to various parties who have defaulted in payment of rent. The Company has filed legal cases on the sub-tenants for recovery of the same and shall be accounted for as and when recovered by the Company.</p>   |             |             |
| <p><b>32. Segment Reporting</b><br/>The Company operates in one segment i.e. Investments and Finance, hence segment reporting has not been given.</p>  |             |             |

### 33. Related Party Disclosures

As per IND-AS 24 'Related Party Disclosures' issued by ICAI, the disclosure of transactions with related parties are given below:

#### (i) Names of the related parties and description of relationship List of related parties where control exists

##### 1. Key Management personal (KMP) and their relatives

|   |                      |
|---|----------------------|
| Mr. Akshay Poddar                         | Director             |
| Mrs. Puja Akshay Poddar                   | Director             |
| Mrs. Shradha Agarwala (w.e.f. 13/02/2020) | Director             |
| Mr. Saroj Kumar Poddar                    | Relative of Director |
| Mrs. Jyotsna Poddar                       | Relative of Director |
| Mr. Gaurav Agarwala                       | Director             |
| Mr. Devendra Khemka                       | CFO/Manager          |
| Mrs. Punam Singh                          | Company Secretary    |

##### 2. Associates

Adventz Finance Pvt. Ltd. (Holding Company)

##### 3. Enterprises where KMP/ relatives have significant influence or control

|                                    |   |
|------------------------------------|---|
| Adventz Finance Pvt. Ltd.          | Lionel Edwards Ltd.                         |
| Adventz Investment Co. Pvt. Ltd.   | Texmaco Infrastructure & Holdings Ltd.      |
| Adventz Homecare Pvt. Ltd.         | Texmaco Rail & Engineering Ltd.             |
| Greenland Trading Pvt. Ltd.        | Zuari Agro Chemicals Ltd.                   |
| Indrakshi Trading Co. Pvt. Ltd.    | Zuari Global Ltd.                           |
| Adventz Industries India Pvt. Ltd. | Future Fuels (International) India Pvt.Ltd. |
| Lionel India Ltd.                  | Eureka Traders Pvt.Ltd.                     |
| Shracom Pvt.Ltd.                   |   |

#### (ii) Transactions with related parties during the period

| Sl. No | Name of the Related Party  | 2019-2020    | 2018-2019    |
|--------|--|--------------|--------------|
|        |  | Rs           | Rs           |
| 1.     | <b>Adventz Finance Pvt. Ltd.</b>   |              |              |
|        | <u>Year end balances:</u>  |              |              |
|        | Investment in Shares   | 3,22,95,283  | 3,22,95,283  |
| 2.     | <b>Adventz Investment Company Pvt.Ltd.</b>                                     |              |              |
|        | <u>Year end balances:</u>  |              |              |
|        | Investment in Shares   | 5,57,57,094  | 5,57,57,094  |
|        | Loan Given   | 3,95,00,000  | -            |
|        | <u>Year end balances:</u>  |              |              |
|        | Year end receivables (Provision of Rs.3950000/- has been made during the year) | 3,95,00,000  | -            |
| 3.     | <b>Greenland Trading Pvt. Ltd.</b>   |              |              |
|        | <u>Year end balances:</u>  |              |              |
|        | Investment in Shares   | 17,41,250    | 17,41,250    |
| 4.     | <b>Indrakshi Trading Co. Pvt. Ltd.</b>   |              |              |
|        | <u>Year end balances:</u>  |              |              |
|        | Investment in Shares   | 17,07,500    | 17,07,500    |
| 5.     | <b>Lionel India Ltd.</b>   |              |              |
|        | <u>Transactions</u>  |              |              |
|        | Travelling Expense   | 96,882       | 3,07,335     |
|        | Interest received  | 32,29,611    | 19,13,989    |
|        | Loan Given   | 4,37,50,000  | 5,50,00,000  |
|        | <u>Year end balances:</u>  |              |              |
|        | Year end receivables   | 4,49,17,369  | 3,40,05,622  |
| 6.     | <b>Future Fuels (International) India Ltd.</b>                                 |              |              |
|        | <u>Transactions</u>  |              |              |
|        | Interest received  | 6,52,411     | 2,082        |
|        | Loan Given   | 1,15,00,000  | 20,00,000    |
|        | <u>Year end balances:</u>  |              |              |
|        | Year end receivables   | 1,16,87,002  | 20,02,082    |
| 7.     | <b>Texmaco Infrastructure &amp; Holdings Ltd.</b>                              |              |              |
|        | <u>Transactions</u>  |              |              |
|        | Dividend Received  | 7,61,828     | 7,61,828     |
|        | <u>Year end balances:</u>  |              |              |
|        | Investment in Shares   | 11,78,92,883 | 21,52,16,410 |
| 8.     | <b>Texmaco Rail &amp; Engineering Ltd.</b>                                     |              |              |
|        | <u>Transactions</u>  |              |              |
|        | Dividend Received  | 13,33,199    | 9,52,285     |
|        | <u>Year end balances:</u>  |              |              |
|        | Investment in Shares   | 7,42,78,230  | 26,28,30,660 |
|        | <u>Transactions</u>  |              |              |
|        | Interest received  | 97,87,500    | -            |

|  |                                 |                                  |   |
|--|---------------------------------|----------------------------------|---|
| Loan Given   |                                 | <b>7,00,00,000</b>               | -   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables   |                                 | <b>7,22,42,369</b>               | -   |
| <b>Texmaco Rail &amp; Engineering Ltd. (Unit : Kalindee Rail Nirmaan Engineers Ltd.)</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  |                                 | <b>1,10,959</b>                  | 27,00,000                                     |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables   |                                 | -                                | 2,03,92,801                                   |
| <b>9. Zuari Agro Chemicals Ltd.</b>  |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Dividend Received  |                                 | -                                | -   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Investment in Shares   |                                 | <b>61,01,147</b>                 | 1,84,61,527                                   |
| <b>10. Zuari Global Ltd.</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Dividend Received  |                                 | <b>98,804</b>                    | 98,804  |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Investment in Shares   |                                 | <b>27,07,230</b>                 | 1,08,33,859                                   |
| <b>11. Adventz Industries Pvt. Ltd.</b>  |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  |                                 | <b>34,383</b>                    | 13,170  |
| Loan Given   |                                 | <b>3,25,000</b>                  | 2,25,000                                      |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables   |                                 | -                                | 3,25,000                                      |
| <b>12. Eureka Traders Pvt.Ltd.</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  |                                 | -                                | -   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables (Provision of Rs.350000/- has been made in the accounts)  |                                 | <b>3,50,000</b>                  | 3,50,000                                      |
| <b>13. Shracom Pvt. Ltd.</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  |                                 | <b>2,92,471</b>                  | 4,521   |
| Loan Given   |                                 | <b>25,00,000</b>                 | 25,00,000                                     |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables   |                                 | <b>25,25,484</b>                 | 25,04,521                                     |
| <b>14. Gobind Sugar Mills Ltd.</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  |                                 | -                                | 10,00,000                                     |
| Loan Given   |                                 | <b>80,00,000</b>                 | 80,00,000                                     |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables (Provision of Rs.800065/- has been made during the year)  |                                 | <b>80,00,649</b>                 | 80,00,649                                     |
| <b>34. Earning per share (EPS)</b>   |                                 |                                  |   |
|  |                                 | <b>31 March, 2020</b>            | <b>31 March, 2019</b>                         |
| The following reflects the profit and share data used in the basic and diluted EPS computations:   |                                 |                                  |   |
| Net Profit / (Loss) attributable to equity shareholders (in Rs)  |                                 | <b>14,20,20,091</b>              | (13,59,69,813)                                |
| Weighted average number of equity shares in calculating EPS  |                                 | <b>56,27,787</b>                 | 56,27,787                                     |
| Nominal value of Equity Shares (in Rs)   |                                 | <b>10</b>                        | 10  |
| Basic & Diluted EPS (in Rs)  |                                 | <b>25.24</b>                     | (24.16)                                       |
| <b>35. On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets during the period 01.04.2019 to 31.03.2020</b>   |                                 |                                  |   |
| <b>36. The Company has maintained general provision towards outstanding Standard Assets @ 0.25% amounting to Rs 772,801 as per Notification issued by Reserve Bank of India.</b>   |                                 |                                  |   |
| <b>37. Particulars as required in terms of Paragraph 19 of Non- Systemically Important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 are given by way of Annexure to the financial statements.</b> |                                 |                                  |   |
| <b>38. Disclosures for IND-AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' :</b>   |                                 |                                  |   |
|  | Provision for<br>doubtful debts | Provision for<br>Standard Assets | Provision for<br>Doubtful Loans &<br>Advances |
|  | Rs                              | Rs                               | Rs  |
| Carrying amount at the beginning of the year   | -                               | 7,72,801                         | 3,50,000                                      |
| Additional provision during the year   | -                               | -                                | 1,95,84,716                                   |
|  | -                               | 7,72,801                         | 1,99,34,716                                   |
| Amounts charged against the provisions   | -                               | -                                | -   |
| Carrying amount at the end of the year   | -                               | 7,72,801                         | 1,99,34,716                                   |

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

**39. Schedule to the Balance Sheet of a non-deposit non-banking finance company**

(as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2016, (updated as on February 17, 2020) figures as on 31.03.2020

(Rs. in lakhs)

| Particular                  |  |                            |                       |
|-----------------------------|--|----------------------------|-----------------------|
| <b>Liabilities side :</b>   |  |                            |                       |
| 1                           | <b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b> | <b>Amount out-standing</b> | <b>Amount overdue</b> |
|                             | (a) Debentures : Secured   | -                          | -                     |
|                             | : Unsecured  | -                          | -                     |
|                             | (other than falling within the meaning of public deposits*)  | -                          | -                     |
|                             | (b) Deferred Credits   | -                          | -                     |
|                             | (c) Term Loans   | -                          | -                     |
|                             | (d) Inter-corporate loans and borrowing  | <b>2,419.98</b>            | -                     |
|                             | (e) Commercial Paper   | -                          | -                     |
|                             | (f) Other Loans (specify nature) (Car Loan)  | -                          | -                     |
|                             | * Please see Note 1 below  |                            |                       |
|                             | <b>Assets side :</b>   |                            |                       |
| 2                           | <b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>               |                            |                       |
|                             | (a) Secured  | -                          | -                     |
|                             | (b) Unsecured  | <b>3,802.84</b>            | -                     |
| 3                           | <b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>                        |                            |                       |
|                             | i Lease assets including lease rentals under sundry debtors :  |                            |                       |
|                             | (a) Financial lease  | -                          | -                     |
|                             | (b) Operating lease  | -                          | -                     |
|                             | ii Stock on hire including hire charges under sundry debtors:  |                            |                       |
|                             | (a) Assets on hire   | -                          | -                     |
|                             | (b) Repossessed Assets   | -                          | -                     |
|                             | iii Other loans counting towards AFC activities  |                            |                       |
|                             | (a) Loans where assets have been repossessed   | -                          | -                     |
|                             | (b) Loans other than (a) above   | -                          | -                     |
| 4                           | <b>Break-up of Investments :</b>   |                            |                       |
|                             | Current Investments :  |                            |                       |
|                             | 1.Quoted:  |                            |                       |
|                             | (i). Shares :  | -                          | -                     |
|                             | (a) Equity   | -                          | -                     |
|                             | (b) Preference   | -                          | -                     |
|                             | (ii) Debentures and Bonds  | -                          | -                     |
|                             | (iii) Units of mutual funds  | -                          | -                     |
|                             | (iv) Government Securities   | -                          | -                     |
|                             | (v) Others (please specify)  | -                          | -                     |
|                             | 2. Unquoted :  |                            |                       |
|                             | (i) Shares :   |                            |                       |
|                             | (a) Equity   | -                          | -                     |
|                             | (b) Preference   | -                          | -                     |
|                             | (ii) Debentures and Bonds  | -                          | -                     |
|                             | (iii) Units of mutual funds  | <b>40.10</b>               | -                     |
|                             | (iv) Government Securities   | -                          | -                     |
| (v) Others (please specify) | -  | -                          |                       |
| Long Term investments :     |  |                            |                       |
| 1.Quoted:                   |  |                            |                       |
| (i). Shares :               |  |                            |                       |
| (a) Equity                  | <b>2,253.40</b>  | -                          |                       |
| (b) Preference              | -  | -                          |                       |
| (ii) Debentures and Bonds   | -  | -                          |                       |
| (iii) Units of mutual funds | -  | -                          |                       |

|  |  |   |                                |
|--|--|---|--------------------------------|
|  | (iv) Government Securities   | -                                       | -                              |
|  | (v) Others (please specify)  | -                                       | -                              |
|  | 2. Unquoted :  | -                                       | -                              |
|  | (i) Shares :   | -                                       | -                              |
|  | (a) Equity   | 2,168.09                                | -                              |
|  | (b) Preference   | 22.07                                   | -                              |
|  | (ii) Debentures and Bonds  | -                                       | -                              |
|  | (iii) Units of mutual funds  | -                                       | -                              |
|  | (iv) Government Securities   | -                                       | -                              |
|  | (v) Others (please specify)  | 0.30                                    | -                              |
|  | <b>5 Borrower group-wise classification of assets financed as in (2) and (3) above :</b>   |   |                                |
|  | Please see Note 2 below  |   |                                |
|  | Category   | Amount net of provisions                |                                |
|  |  | Secured                                 | Unsecured                      |
|  | 1. Related Parties **  |   | Total                          |
|  | a) Subsidiaries  | -                                       | -                              |
|  | b) Companies in the same group   | -                                       | 1,741.23                       |
|  | c) Other related parties   | -                                       | -                              |
|  | 2. Other than related Parties  | -                                       | 2,061.61                       |
|  | Total  | -                                       | 3,802.84                       |
|  | <b>6 Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) Please see note 3 below</b> |   |                                |
|  | Category   | Market Value/Break up Fair Value or NAV | Book Value (net of provisions) |
|  | 1. Related Parties **  |   |                                |
|  | a) Subsidiaries  | -                                       | -                              |
|  | b) Companies in the same group   | 2,924.81                                | 2,924.81                       |
|  | c) Other related parties   | -                                       | -                              |
|  | 2. Other than related Parties  | 1,559.16                                | 1,559.16                       |
|  | Total  | 4,483.97                                | 4,483.97                       |
|  | <b>7 Other information</b>   |   |                                |
|  | Particulars  | Amount                                  |                                |
|  | (i) Gross Non-Performing Assets  |   |                                |
|  | (a) Related parties  |   | 478.50                         |
|  | (b) Other than related parties   |   | 451.17                         |
|  | (ii) Net Non-Performing Assets   |   |                                |
|  | (a) Related parties  |   | 478.50                         |
|  | (b) Other than related parties   |   | 451.17                         |
|  | (iii) Assets acquired in satisfaction of debt  |   | -                              |

**Notes:**

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2. Provisioning norms shall be applicable as prescribed in Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 or Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 whichever is applicable.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above

**Notes to the financial statements for the year ended 31st March, 2020**

NOTE NO. 40 : Disclosure as per RBI Notification No.RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13/03/2020

| Asset Classification as per RBI Norms   | Asset Classification as per Ind As 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|--|-------------------------------------|---|---------------------|--|--|
| (1)   | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7)=(4)-(6)  |
| <b>Performing Assets</b>  |  |                                     |   |                     |  |  |
| Standard  | Stage 1                                | 29,06,48,744                        | -   | 29,06,48,744        | *                                      | -  |
|   | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
| Subtotal  |  | 29,06,48,744                        |   | 29,06,48,744        |  | -  |
| <b>Non-Performing Assets (NPA)</b>  |  |                                     |   |                     |  |  |
| Substandard   | Stage 3                                | 9,26,17,156                         | 92,61,716   | 8,33,55,440         | 84,61,651                              | -  |
| Doubtful - upto 1 year  |  | -                                   | -   | -                   | -                                      | -  |
| 1 to 3 years  |  | 3,50,000                            | 3,50,000  | -                   | 3,50,000                               | -  |
| More than 3 years   |  | -                                   | -   | -                   | -                                      | -  |
| Subtotal for doubtful   |  | <b>3,50,000</b>                     | <b>3,50,000</b>   | -                   | <b>3,50,000</b>                        | -  |
| Loss  |  | -                                   | -   | -                   | -                                      | -  |
| Subtotal for NPA  |  | 9,29,67,156                         | 96,11,716   | 8,33,55,440         | 88,11,651                              | -  |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP norms) |  | -                                   | -   | -                   | -                                      | -  |
| Subtotal  |  |                                     |   |                     |  |  |
| <b>Total</b>  | <b>Stage 1</b>                         | 29,06,48,744                        | -   | 29,06,48,744        | -                                      | -  |
|   | <b>Stage 2</b>                         |                                     |   |                     |  |  |
|   | <b>Stage 3</b>                         | 9,29,67,156                         | 96,11,716   | 8,33,55,440         | 88,11,651                              | -  |
|   | <b>Total</b>                           | 38,36,15,900                        | 96,11,716   | 37,40,04,184        | 88,11,651                              | -  |

\* A sum of Rs. 7,72,801/- has been provided as Contingent Provision on Standard Assets.



## ADVENTZ SECURITIES ENTERPRISES LIMITED

### Notes to the financial statements for the year ended 31st March, 2020

#### NOTE NO. 41 : First time adoption of Ind AS A. Explanation of transition to Ind AS

##### **A. Explanation of transition to Ind AS**

These financial statements, for the year ended 31 March 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP) and in accordance with prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by the Reserve Bank of India (RBI) for NBFCs to the extent applicable (collectively referred as "Previous GAAP"). In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019. In preparing the financial statements, the Company has applied the optional exemptions and mandatory exceptions. Significant items are explained below:

- (iv) **Property, plant and equipment, intangible assets and investment properties** As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.
- (v) **Investments in group companies** The Company has elected to apply the exemption available under Ind AS 101 to use the carrying value (measured as per the previous GAAP) for all its investments in associates as recognised in the financial statements as at the date of transition to Ind AS, as deemed cost as at the date of transition.
- (vi) **Derecognition of financial assets and liabilities** The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively.

##### **B) Note to the reconciliation:**

- v) **Fair valuation of investments** Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on intention of management at the time of purchase. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. In accordance with Ind AS, the Company has recognised the net fair value changes relating to in equity instruments in the statement of profit and loss.
- vi) **Tax impact on adjustments** Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.
- vii) **Retained earnings** Retained earnings as at 1 April 2018 has been adjusted consequent to the above Ind AS transition adjustments
- viii) **Other comprehensive income** Items of income and expense that are not recognised in profit or loss but are shown in other comprehensive income includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI instruments. The concept of other comprehensive income did not exist under previous GAAP

**Notes to the financial statements for the year ended 31st March, 2020**

**C) Reconciliation of equity as at 1st April, 2018 and 31st March, 2019**

(Amount in Rs)

|  | Particulars                                       | Notes to first-time adoption | As at 31-03-2019    |                                    |                       | As at 01-04-2018    |                                    |                       |
|--|---|------------------------------|---------------------|------------------------------------|-----------------------|---------------------|------------------------------------|-----------------------|
|  |   |                              | Previous GAAP*      | Adjustment on transition to Ind AS | Ind AS                | Previous GAAP*      | Adjustment on transition to Ind AS | Ind AS                |
|  | <b>ASSETS</b>                                     |                              |                     |                                    |                       |                     |                                    |                       |
|  | <b>(1) Financial Assets</b>                       |                              |                     |                                    |                       |                     |                                    |                       |
|  | (a) Cash and Cash Equivalents                     |                              | 4,36,01,573         | -                                  | 4,36,01,573           | 86,66,218           | -                                  | 86,66,218             |
|  | (b) Bank Balance other than included in (a) above |                              | -                   | -                                  | -                     | -                   | -                                  | -                     |
|  | (c) Loans   |                              | 30,91,20,360        | -                                  | 30,91,20,360          | 18,37,05,903        | -                                  | 18,37,05,903          |
|  | (d) Investments                                   | B(i)                         | 21,49,36,960        | 58,61,35,091                       | 80,10,72,051          | 19,41,03,590        | 79,65,95,323                       | 99,06,98,913          |
|  | (e) Other Financial Assets                        |                              | 22,40,34,470        | -                                  | 22,40,34,470          | 23,38,28,120        | -                                  | 23,38,28,120          |
|  |   |                              | <b>79,16,93,363</b> | <b>58,61,35,091</b>                | <b>1,37,78,28,454</b> | <b>62,03,03,831</b> | <b>79,65,95,323</b>                | <b>1,41,68,99,154</b> |
|  | <b>(2) Non-Financial Assets</b>                   |                              |                     |                                    |                       |                     |                                    |                       |
|  | (a) Inventories                                   |                              | 2,31,500            | -                                  | 2,31,500              | 2,31,500            | -                                  | 2,31,500              |
|  | (b) Current Tax Assets (Net)                      |                              | 1,71,41,660         | -                                  | 1,71,41,660           | 1,48,99,293         | -                                  | 1,48,99,293           |
|  | (c) Property, Plant and Equipment                 |                              | 33,57,937           | -                                  | 33,57,937             | 30,95,843           | -                                  | 30,95,843             |
|  | (d) Other Non-Financial Assets                    |                              | 62,98,767           | -                                  | 62,98,767             | 62,25,053           | -                                  | 62,25,053             |
|  | (e) Deferred Tax Assets (Net)                     | B(ii)                        | 39,17,279           | (39,17,279)                        | -                     | 39,17,279           | (39,17,279)                        | -                     |
|  |   |                              | <b>3,09,47,143</b>  | <b>(39,17,279)</b>                 | <b>2,70,29,864</b>    | <b>2,83,68,968</b>  | <b>(39,17,279)</b>                 | <b>2,44,51,689</b>    |
|  | <b>TOTAL ASSETS</b>                               |                              | <b>82,26,40,506</b> | <b>58,22,17,812</b>                | <b>1,40,48,58,318</b> | <b>64,86,72,799</b> | <b>79,26,78,044</b>                | <b>1,44,13,50,843</b> |
|  | <b>LIABILITIES AND EQUITY</b>                     |                              |                     |                                    |                       |                     |                                    |                       |
|  | <b>(1) Financial Liabilities</b>                  |                              |                     |                                    |                       |                     |                                    |                       |
|  | (a) Borrowings (Other than Debt Securities)       |                              | 59,09,28,482        | -                                  | 59,09,28,482          | 28,05,75,880        | -                                  | 28,05,75,880          |
|  |   |                              | <b>59,09,28,482</b> | <b>-</b>                           | <b>59,09,28,482</b>   | <b>28,05,75,880</b> | <b>-</b>                           | <b>28,05,75,880</b>   |
|  | <b>(2) Non-Financial Liabilities</b>              |                              |                     |                                    |                       |                     |                                    |                       |
|  | (a) Provisions                                    |                              | 7,72,801            | -                                  | 7,72,801              | 4,58,477            | -                                  | 4,58,477              |
|  | (b) Deferred Tax Liabilities (Net)                |                              | -                   | 12,99,09,342                       | 12,99,09,342          | -                   | 17,82,43,478                       | 17,82,43,478          |
|  | (c) Other Non-Financial Liabilities               | B(ii)                        | 81,79,174           | -                                  | 81,79,174             | 81,59,159           | -                                  | 81,59,159             |
|  |   |                              | <b>89,51,975</b>    | <b>12,99,09,342</b>                | <b>13,88,61,317</b>   | <b>86,17,636</b>    | <b>17,82,43,478</b>                | <b>18,68,61,114</b>   |
|  | <b>(3) Equity</b>                                 |                              |                     |                                    |                       |                     |                                    |                       |
|  | (a) Equity Share Capital                          |                              | 5,62,77,870         | -                                  | 5,62,77,870           | 5,62,77,870         | -                                  | 5,62,77,870           |
|  | (b) Other Equity                                  | B(i) & B(iv)                 | 16,64,82,179        | 45,23,08,470                       | 61,87,90,649          | 30,32,01,413        | 61,44,34,566                       | 91,76,35,979          |
|  |   |                              | <b>22,27,60,049</b> | <b>45,23,08,470</b>                | <b>67,50,68,519</b>   | <b>35,94,79,283</b> | <b>61,44,34,566</b>                | <b>97,39,13,849</b>   |
|  | <b>TOTAL LIABILITIES AND EQUITY</b>               |                              | <b>82,26,40,506</b> | <b>58,22,17,812</b>                | <b>1,40,48,58,318</b> | <b>64,86,72,799</b> | <b>79,26,78,044</b>                | <b>1,44,13,50,843</b> |

\* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**Notes to the financial statements for the year ended 31st March, 2020**

**D) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2019**

(Amount in Rs)

| Particulars   | Notes to first-time adoption | Previous GAAP*        | Adjustment on transition to Ind AS | Ind AS                |
|---|------------------------------|-----------------------|------------------------------------|-----------------------|
| <b>Revenue from Operations</b>  |                              |                       |                                    |                       |
| (i) Interest Income   |                              | 2,42,08,184           | -                                  | 2,42,08,184           |
| (ii) Dividend Income  |                              | 41,73,932             | -                                  | 41,73,932             |
| (iii) Net Gain on Fair Value Changes  |                              |                       | 7,90,362                           | 7,90,362              |
| (iv) Others - Profit on Sale of Mutual Fund   |                              | 1,45,226              | -                                  | 1,45,226              |
| <b>(I) Total Revenue from Operations</b>  |                              | <b>2,85,27,342</b>    | <b>7,90,362</b>                    | <b>2,93,17,704</b>    |
| (II) Other Income (to be specified)   |                              | 2,18,545              | -                                  | 2,18,545              |
| <b>(III) Total Income (I+II)</b>  |                              | <b>2,87,45,887</b>    | <b>-</b>                           | <b>2,95,36,249</b>    |
| <b>Expenses</b>   |                              |                       |                                    |                       |
| (i) Finance Cost  |                              | 2,72,42,054           | -                                  | 2,72,42,054           |
| (ii) Purchase of Stock-in-Trade   |                              | 11,48,57,061          | -                                  | 11,48,57,061          |
| (iii) Change in Inventories   |                              | 97,93,650             | -                                  | 97,93,650             |
| (iv) Employees Benefit Expenses   |                              | 65,61,304             | -                                  | 65,61,304             |
| (v) Depreciation  |                              | 11,87,226             | -                                  | 11,87,226             |
| (vi) Other Expenses   |                              | 58,64,767             | -                                  | 58,64,767             |
| <b>(IV) Total Expenses</b>  |                              | <b>16,55,06,062</b>   | <b>-</b>                           | <b>16,55,06,062</b>   |
| (V) Profit/(Loss) before exceptional items & Tax (III-IV)   |                              | <b>(13,67,60,175)</b> | <b>-</b>                           | <b>(13,59,69,813)</b> |
| (VI) Exceptional Items  |                              |                       |                                    | -                     |
| (VII) Profit/(Loss) before Tax (V-VI)   |                              | <b>(13,67,60,175)</b> | <b>-</b>                           | <b>(13,59,69,813)</b> |
| (VIII) Tax Expenses   |                              |                       |                                    |                       |
| Current Tax   |                              |                       |                                    | -                     |
| Deferred Tax  |                              | -                     | -                                  | -                     |
| <b>(IX) Profit/(Loss) for the year (VII-VIII)</b>   |                              | <b>(13,67,60,175)</b> | <b>-</b>                           | <b>(13,59,69,813)</b> |
| (X) Other Comprehensive Income  |                              |                       |                                    |                       |
| <b>(A)</b>  |                              |                       |                                    |                       |
| (i) Items that will not be reclassified to profit or loss   |                              |                       |                                    |                       |
| a) Gains/(Losses) on Equity Instruments through Other Comprehensive Income  | B(iv)                        | -                     | <b>(21,12,50,594)</b>              | <b>(21,12,50,594)</b> |
| (ii) Income tax relating to items that will not be reclassified to profit or loss   | B(ii)                        | -                     | <b>4,83,34,136</b>                 | <b>4,83,34,136</b>    |
| <b>(B)</b>  |                              |                       |                                    |                       |
| (i) Items that will be reclassified to profit or loss   |                              |                       |                                    |                       |
| (ii) Income tax relating to items that will be reclassified to profit or loss   |                              |                       |                                    |                       |
| <b>(XI) Total Comprehensive Income for the period (IX+X)</b><br><b>(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b> |                              | <b>(13,67,60,175)</b> | <b>(16,29,16,458)</b>              | <b>(29,88,86,271)</b> |

**E) Summary reconciliation of Total Comprehensive Income and total equity**

| Particulars  | for the year ended 31-03-2019 | for the year ended 01-04-2018 |
|--|-------------------------------|-------------------------------|
| <b>Net Profit after Tax as per Previous GAAP</b>   | <b>(13,67,60,175)</b>         | (2,39,66,454)                 |
| Fair Valuation of Investments and Other Financial Instruments through Profit and Loss, net of tax effects            | <b>7,90,362</b>               | 4,38,168                      |
| <b>Net Profit after Tax as per Ind AS</b>  | <b>(13,59,69,813)</b>         | (2,35,28,286)                 |
| Fair Valuation of Investments and Other Financial Instruments through Other Comprehensive Income, net of tax effects | <b>(16,29,16,458)</b>         | 61,39,96,398                  |
| <b>Total Comprehensive Income as per IND AS</b>  | <b>(29,88,86,271)</b>         | 59,04,68,112                  |

**F) Summary reconciliation of Total Equity**

| Particulars  | for the year ended 31-03-2019 | for the year ended 01-04-2018 |
|--|-------------------------------|-------------------------------|
| <b>Equity as reported under Previous GAAP</b>  | <b>22,27,60,049</b>           | 35,94,79,283                  |
| Fair Valuation of Investments and Other Financial Instruments through Profit and Loss, net of tax effects            | <b>7,90,362</b>               | 4,38,168                      |
| Fair Valuation of Investments and Other Financial Instruments through Other Comprehensive Income, net of tax effects | <b>45,15,18,108</b>           | 61,39,96,398                  |
| <b>Total Equity as per IND AS</b>  | <b>67,50,68,519</b>           | 97,73,13,849                  |

\* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**42. Impact of COVID :**

The outbreak of novel Corona virus (COVID-19) pandemic globally is causing a slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations. The Company has considered the possible effects on its business that may result from COVID-19 on the carrying amount of receivables and other investments made by the Company as on the reporting date. Based on assumptions and current estimates in view of the pandemic, the Company expects that the carrying amounts of receivables and other investments will be recovered in due course of time. Also, there is no material uncertainty on the ability of the Company to continue as a going concern and there is no material event/ circumstances due to COVID-19 as on the date of approval of the Financial Statement that requires separate adjustment or disclosure.

**43. Dues to Micro, Small & Medium Enterprises as defined under the MSMED Act,2006**

- (a) Due to insufficient information from suppliers regarding their MSME status, the amount due to Micro, Small & Medium Enterprises could not be ascertained.
- (b) On the basis of information available with the Company under the aforesaid Act, there are no Enterprises to whom the Company owes dues which are outstanding at year end. This has been relied upon by the Auditors.

44. The Company has opted the provisions of Section 115BAA of the Income Tax Act, 1961 for determination of current tax liability from the financial year ended 31st, March, 2020 corresponding to the assessment year 2020-2021.

**45. Expenses in foreign currency on account of travelling Rs Nil (Previous year Rs 1,75,122/-)**

46. Previous year figures have been reclassified wherever appropriate to confirm to current year's presentation.

**47. All the figures in these notes are in 'Rs' except otherwise stated.**

As per our report of even date

For and on behalf of the Board

**For Chaturvedi & Company**  
**Firm Registration No. 302137E**  
*Chartered Accountants*

Gaurav Agarwala  
Director  
DIN : 00201469

**Nilima Joshi**  
*Partner*  
M. No. 52122

Piyush Khaitan  
Director  
DIN : 00348151

Place : Kolkata  
Dated : 10th July, 2020

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A3864

## **INDEPENDENT AUDITORS REPORT**

**To  
The Members of  
M/s. Adventz Securities Enterprises Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying Consolidated financial statements of **M/s. Adventz Securities Enterprises Limited** ("the Company") and its associate which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 their consolidated state of affairs of the Company as at March 31, 2020, of Consolidated Loss and (including other Comprehensive Loss), Consolidated Changes in Equity and its Consolidated Cash Flows for the year the ended.

#### **Basis for Qualified Opinion**

1. Rent under dispute and amount being unascertainable has not been accounted for
2. No provision for accrual liability for gratuity and leave encashment has been made by the Company during the year or in earlier years which is not in accordance with 'IND AS 19 Employee Benefits'
3. Stock of Land which has been encroached upon and is yet to be mutated in the name of the company has been stated at Historical cost and not as per valuation determined as per 'IND AS-2 Inventory'.
4. We draw attention to 'Basis for Qualified Opinion' paragraph included in the audit report of Adventz Finance Private Limited, an associate of company, issued by an independent firm of Chartered Accountants vide its audit report dated 29<sup>th</sup> of June, 2020 is reproduced by us as under

"No provision for accrued liability of gratuity and leave encashment has been made by the company which constitutes a departure from the India Accounting Standard 19 'Employee Benefits'. The amount thereof is also not determined".

Impacts with respect to 1, 2, 3 and 4 above are presently not ascertainable and as such cannot be commented upon by us.

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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have

fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Consolidated Financial Statement.

### **Emphasis of Matter**

We draw attention to the notes to the financial statement regarding –

- a. The management's assessment of COVID- 19 pandemic where it has been mentioned that the Company has considered the possible effects on its business that may result from COVID-19 on the carrying amount of receivables and other investments made by the Company as on the reporting date. Based on assumptions and current estimates in view of the pandemic, the Company expects that the carrying amounts of receivables and other investments will be recovered in due course of time. Also, there is no material uncertainty on the ability of the Company to continue as a going concern and there is no material event / circumstances due to COVID-19 as on the date of approval of the Financial Statement that requires separate adjustment or disclosure. Financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situations, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. (Refer Note 39 to the financial statements)
- b. Non-provision of liability of interest/late payment surcharge, on the amount of amicably settled maximum demand charges paid by Company and Company's claim of interest on amounts refunded by WBSEB against provisional bills, since the matter remains unresolved and amounts being unascertainable (Refer Note 27 to the financial statements).
- c. Scripts of certain quoted and unquoted shares and securities of Rs. 40.79 lacs have not been furnished for verification. The same have been impaired due to reasons like non-availability of certificates and/or market valuation, investee company gone under liquidation or struck off etc. (Refer Note 4 to the financial statements)
- d. Lease of Paharpur godown which, expired in 2002 has not been renewed by KPT and Companies petition is pending before the Court. KPT has also claimed compensation of Rs. 1.36 Crore. As per direction of the Court the Company has deposited a sum of Rs. 25 lakhs and is also remitting cheque of Rs. 25,000 p.m. to KPT.  
The above godown has been subleased but no rent is received from the tenant after June, 2009 for which the Company has filed recovery and eviction suit against them. No rental income is being accounted for. (Refer Note 28 to the financial statements)
- e. Lease of Taratalla godown has not been renewed and eviction notice has issued by KPT. KPT has claimed compensation which has neither been paid nor accounted for. No accounting for rent or Compensation has been made in the accounts. The tenant to whom it is subleased has not paid rent since July, 1985 and suit for recovery / eviction is pending before Court. No rental income or expenses have been accounted for (Refer Note 29 to the financial statements)
- f. Long term unsecured loan of Rs. 184.32 lacs are subject to confirmation. Repayment dates of such loans have lapsed since long. Further interest and penal charges has not been provided. (Refer Note 10 to the financial statements)
- g. Long term security deposit has been stated at historical cost as the contracts have expired and further details are not available. (Refer Note 9 to the financial statements).

- h. We draw attention to ‘ Emphasis of Matter ’ paragraph included in the audit report of Adventz Finance Private Limited, an associate of company, issued by an independent firm of Chartered Accountants vide its audit report dated 29<sup>th</sup> of June,2020 is reproduced by us as under :  
 “We draw attention to Note no. 34 of the financial statement, which describes the economic impact the company is facing due to outbreak of Corona Virus Disease (COVID 19). Our opinion is not modified in respect of this matter”.

Our opinion is not modified in respect of matter stated in points (a) and (h) under “Emphasis of Matter” section of our report.

### Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed and communicated with management in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in the our report.

| Sr. No | Key Audit Matter  | How our audit addressed the Key Audit Matter   |
|--------|---|--|
| 1      | <p>The Company has adopted IND AS as announced by Ministry of Corporate Affairs for non-banking Financial institutions, the company has adopted IND AS from April 1, 2019 with an effective date of April 1,2018 for such transition. Required reconciliation and comparatives have been prepared under IND AS as erstwhile financials were prepared under Indian Generally Accepted Accounting Principles GAAP. Such transition involves complexity and lead to significant changes in the company’s policies and processes , hence this has been an area of key concern in our audit of the company</p> | <p>Our audit procedure in relation to the first time adoption of IND AS as aforementioned has been mentioned below :-</p> <ul style="list-style-type: none"> <li>g. Review of financial statements for identification of the areas impacted on account of IND AS transition.</li> <li>h. Review and assessment of the judgments exercised by the management in applying the first time adoption of IND AS.</li> <li>i. Assessing the judgments exercised by the management in relation to ‘IND AS101 First time Adoption of Indian Accounting Standard’ which provides certain exemptions and relaxations</li> <li>j. Review of the methods and assumptions exercised by the management for fair valuation of assets and liabilities existed at the transition date and at the reporting dates</li> <li>k. Reviewed of the IND AS required accounting adjustments posted at the transition date and in respect of the comparative financial years and period which was prepared under erstwhile INDIAN GAAP</li> <li>l. Assess the disclosures included in the IND AS financial statements in accordance with the requirements of IND AS 101 and other applicable IND AS.</li> </ul> |
| 2      | <p><b>Revenue Recognition on interest income, dividend income and gain/ sale of investments</b></p>   | <p>We reviewed the process adopted for assuring the consistency in approach between accounting periods. Our tests included:</p> <ul style="list-style-type: none"> <li>• Assessing compliance of company’s revenue recognition accounting policies with applicable accounting standards.</li> </ul>  |

|  |  |   |
|--|--|---|
|  | <p>We focused on this area because of the majority in determining the company's revenue and risk of under/over estimation of revenue</p> | <ul style="list-style-type: none"> <li>• Checking the accuracy of various reconciliations carried out on sale of investments.</li> <li>• Considered the appropriateness and accuracy of interest and dividend as recorded in the relevant records</li> <li>• Verifying the disclosure in accounting records with various supporting documentation</li> </ul> <p><b>Conclusion:</b><br/>Our applied procedures did not indicate any material deviations.</p> |
|--|--|---|

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated Financial Statements and our auditors' report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### **Responsibility of Management and Those charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, Consolidated Financial performance and Consolidated Cash Flows of the companies in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Companies, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies are responsible for assessing the ability of the companies including its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company and of its associates are responsible for overseeing the financial reporting process of the companies.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Consolidated 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 controls 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 ability of the Group 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 interim consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other

auditor's such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the companies included in the consolidated financial statements of which we are the independent auditors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Other Matters**

The Consolidated Financial Statements includes the associate company shares of net loss of Rs. 71,38,48,046 for the year ended 31.03.2020, as considered in the consolidated financial statements in respect of the associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management. Our opinion in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of sub-section (3) and (4) of section 143 of the Act is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### **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 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 of the Consolidated Financial Statement.
- 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 and report on other auditors except for the possible effects of the matters described in *Basis for Qualified Opinion* section of our report.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Loss), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books.

- d) In our opinion, the aforesaid Consolidated financial statements comply with the IndAs specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the possible effects of the matters described in *Basis for Qualified Opinion* section of our report.

The audit report on the financial statements of Adventz Finance Private Limited , an associate of the company, issued by an independent firm of Chartered Accountants vide its audit report dated 29<sup>th</sup> of June,2020 is reproduced by us as under :

Except for the effect of the matter described in the basis for Qualified opinion paragraph, the aforesaid financial statements comply with the Indian 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 of the Company as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors of the Company and report of the Statutory Auditors of the Associate company incorporated in India none of the directors of the Group Companies incorporated in India are disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of section 164(2) of the Act.
- f) The matters described in the Basis for Qualified opinion paragraph above, can have an adverse effect on the profit/loss and corresponding effect on the assets and liabilities of the Company.
- g) With respect to the adequacy of the over financial reporting of the Company and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matter to be included in the Auditor's report in accordance with the requirements of Section 197(16) of the act, as amended –

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the act.

The audit report on the financial statements of Adventz Finance Private Limited , an associate of the company, issued by an independent firm of Chartered Accountants vide its audit report dated 29<sup>th</sup> of June,2020 is reproduced by us as under :

The provision of section 197 read with schedule V to the act are not applicable to the company since the company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

- h) With respect to the other matters to be includes 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 :
- iv. The Company and its associate has disclosed the impact of pending litigations which would impact its financial position in Note no. 23 to the financial statements.
- v. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

The audit report on the financial statements of Adventz Finance Private Limited , an associate of the company, issued by an independent firm of Chartered Accountants vide its audit report dated 29<sup>th</sup> of June,2020 is reproduced by us as under :

“The company has made provision, as required under the applicable laws or IND AS, for material foreseeable losses, if any, on long term contracts including derivative contracts”.

- vi. The company and its associate have no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Company**  
Chartered Accountants  
Firm Regn. No : 302137E

Dated : 10/07/2020  
Place : Kolkata

**Nilima Joshi**  
Partner  
Memb No. 52122  
UDIN - 20052122AAAABD7877

## **Annexure A to the 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')**

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Adventz Securities Enterprises Limited ('the Company') and its associate company incorporated in India as on 31<sup>st</sup> March, 2020, as of that date

#### **Management's Responsibility for Internal Financial Controls**

The respective board of Directors of the company including its associate company's management are 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 the Company's policies, the safe guarding 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operative 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 auditors 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 of 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 purpose 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 responsible detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are records as necessary to permit preparation of financial statements in accordance with authorizations of the 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.

## **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 nor be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company and its associate company have, 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 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Company**  
Chartered Accountants  
Firm Regn. No : 302137E

**Nilima Joshi**  
Partner  
Memb No. 52122  
UDIN – 20052122AAAABD7877

Dated : 10/07/2020  
Place : Kolkata

## ADVENTZ SECURITIES ENTERPRISES LIMITED

### CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Rs)

|  | Particulars                                 | Note No. | As at 31-03-2020      | As at 31-03-2019      | As at 01-04-2018      |
|--|---|----------|-----------------------|-----------------------|-----------------------|
|  | <b>ASSETS</b>                               |          |                       |                       |                       |
|  | <b>(1) Financial Assets</b>                 |          |                       |                       |                       |
|  | (a) Cash and Cash Equivalents               | 2        | 1,36,72,070           | 4,36,01,573           | 86,66,218             |
|  | (b) Loans                                   | 3        | 37,40,04,184          | 30,91,20,360          | 18,37,05,903          |
|  | (c) Investments                             | 4        | 2,40,26,12,850        | 3,46,91,36,124        | 3,83,75,05,999        |
|  | (d) Other Financial Assets                  | 5        | 13,83,199             | 22,40,34,470          | 23,38,28,120          |
|  |   |          | <b>2,79,16,72,303</b> | <b>4,04,58,92,527</b> | <b>4,26,37,06,240</b> |
|  | <b>(2) Non-Financial Assets</b>             |          |                       |                       |                       |
|  | (a) Inventories                             | 6        | 2,31,500              | 2,31,500              | 2,31,500              |
|  | (b) Current Tax Assets (Net)                | 7        | 1,76,06,754           | 1,71,41,660           | 1,48,99,293           |
|  | (c) Property, Plant and Equipment           | 8        | 27,32,201             | 33,57,937             | 30,95,843             |
|  | (d) Other Non-Financial Assets              | 9        | 48,97,063             | 62,98,767             | 62,25,053             |
|  |   |          | <b>2,54,67,518</b>    | <b>2,70,29,864</b>    | <b>2,44,51,689</b>    |
|  | <b>TOTAL ASSETS</b>                         |          | <b>2,81,71,39,821</b> | <b>4,07,29,22,391</b> | <b>4,28,81,57,929</b> |
|  | <b>LIABILITIES AND EQUITY</b>               |          |                       |                       |                       |
|  | <b>(1) Financial Liabilities</b>            |          |                       |                       |                       |
|  | (a) Borrowings (Other than Debt Securities) | 10       | 24,19,98,482          | 59,09,28,482          | 28,05,75,880          |
|  |   |          | <b>24,19,98,482</b>   | <b>59,09,28,482</b>   | <b>28,05,75,880</b>   |
|  | <b>(2) Non-Financial Liabilities</b>        |          |                       |                       |                       |
|  | (a) Provisions                              | 11       | 7,72,801              | 7,72,801              | 4,58,477              |
|  | (b) Deferred Tax Liabilities (Net)          | 12       | 4,89,84,312           | 12,99,09,342          | 17,82,43,478          |
|  | (c) Other Non-Financial Liabilities         | 13       | 69,94,527             | 81,79,174             | 81,59,159             |
|  |   |          | <b>5,67,51,640</b>    | <b>13,88,61,317</b>   | <b>18,68,61,114</b>   |
|  | <b>(3) Equity</b>                           |          |                       |                       |                       |
|  | (a) Equity Share Capital                    | 14       | 5,62,77,870           | 5,62,77,870           | 5,62,77,870           |
|  | (b) Other Equity                            | 15       | 2,46,21,11,829        | 3,28,68,54,721        | 3,76,44,43,065        |
|  |   |          | <b>2,51,83,89,699</b> | <b>3,34,31,32,591</b> | <b>3,82,07,20,935</b> |
|  | <b>TOTAL LIABILITIES AND EQUITY</b>         |          | <b>2,81,71,39,821</b> | <b>4,07,29,22,391</b> | <b>4,28,81,57,929</b> |
|  | Significant Accounting Policies             | 1        |                       |                       |                       |

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For Chatruvedi & Company**  
Chartered Accountants  
Firm Registration Number 302137E

**Nilima Joshi**  
Proprietor  
(Membership No.52122)

Place : Kolkata  
Dated :

UDIN NO. : 20052122AAAABD7877

For and on behalf of the Board

Gaurav Agarwala  
Director  
DIN : 00201469

Piyush Khaitan  
Director  
DIN : 00348151

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A38649

**ADVENTZ SECURITIES ENTERPRISES LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Amount in Rs)

|            | Particulars  | Note No. | As at 31-03-2020      | As at 31-03-2019      |
|------------|--|----------|-----------------------|-----------------------|
|            | <b>Revenue from Operations</b>   |          |                       |                       |
| (i)        | Interest Income  | 16       | 3,07,98,371           | 2,42,08,184           |
| (ii)       | Dividend Income  |          | 45,18,781             | 41,73,932             |
| (iii)      | Net Gain on Fair Value Changes   | 17       | (13,56,604)           | 7,90,362              |
| (iv)       | Sale of Shares   |          | 34,89,30,000          | -                     |
| (v)        | Others - Profit on Sale of Mutual Fund   |          | 2,93,638              | 1,45,226              |
| (I)        | <b>Total Revenue from Operations</b>   |          | <b>38,31,84,186</b>   | <b>2,93,17,704</b>    |
| (II)       | Other Income   | 18       | 2,64,948              | 2,18,545              |
| (III)      | <b>Total Income (I+II)</b>   |          | <b>38,34,49,134</b>   | <b>2,95,36,249</b>    |
|            | <b>Expenses</b>  |          |                       |                       |
| (i)        | Finance Cost   | 19       | -                     | 2,72,42,054           |
| (ii)       | Purchase of Stock-in-Trade   |          | -                     | 11,48,57,061          |
| (iii)      | Change in Inventories of Stock-in-Trade  | 20       | 21,36,61,470          | 97,93,650             |
| (iv)       | Employees Benefit Expenses   | 21       | 73,04,543             | 65,61,304             |
| (v)        | Depreciation   | 8        | 9,81,365              | 11,87,226             |
| (vi)       | Other Expenses   | 22       | 2,53,71,763           | 58,64,767             |
| (IV)       | <b>Total Expenses</b>  |          | <b>24,73,19,141</b>   | <b>16,55,06,062</b>   |
| (V)        | Profit/(Loss) before Tax (III-IV)  |          | <b>13,61,29,993</b>   | <b>(13,59,69,813)</b> |
| (VI)       | Share of Profit/(Loss) from Associates   |          | <b>(71,38,48,046)</b> | <b>(17,87,43,013)</b> |
| (VII)      | Profit/(Loss) before Tax (V-VI)  |          | <b>(57,77,18,053)</b> | <b>(31,47,12,826)</b> |
| (VIII)     | Tax Expenses<br>Current Tax<br>Deferred Tax  |          | -<br>(58,90,098)      | -                     |
| (IX)       | <b>Profit/(Loss) for the year (VII-VIII)</b>   |          | <b>(57,18,27,955)</b> | <b>(31,47,12,826)</b> |
| (X)        | Other Comprehensive Income<br><b>(A)</b>   |          |                       |                       |
| (i)        | Items that will not be reclassified to profit or loss  |          |                       |                       |
| a)         | Gains/(Losses on Equity Instruments through Other Comprehensive Income   |          | <b>(32,79,49,878)</b> | (21,12,50,594)        |
| (ii)       | Income tax relating to items that will not be reclassified to profit or loss   |          | <b>7,50,34,932</b>    | 4,83,34,136           |
| <b>(B)</b> |  |          |                       |                       |
| (i)        | Items that will be reclassified to profit or loss  |          | -                     | -                     |
| (ii)       | Income tax relating to items that will be reclassified to profit or loss   |          | -                     | -                     |
| (XI)       | <b>Total Comprehensive Income for the period (IX+X)<br/>(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b> |          | <b>(82,47,42,901)</b> | <b>(47,76,29,284)</b> |
| (XII)      | <b>Earning per equity share (for continuing operation):</b>  |          |                       |                       |
| (1)        | Basic  |          | <b>(101.61)</b>       | <b>(55.92)</b>        |
| (2)        | Diluted  |          | <b>(101.61)</b>       | <b>(55.92)</b>        |

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For Chatruvedi & Company**  
Chartered Accountants  
Firm Registration Number 302137E

**Nilima Joshi**  
Proprietor  
(Membership No.52122)

Place : Kolkata  
Dated :

UDIN NO. : 20052122AAAABD7877

For and on behalf of the Board

Gaurav Agarwala  
Director  
DIN : 00201469

Piyush Khaitan  
Director  
DIN : 00348151

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A38649



ADVENTZ SECURITIES ENTERPRISES LIMITED

Notes to the consolidated financial statements for the year ended 31st March, 2020

STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

| Particulars                     | Amount      |
|---------------------------------|-------------|
| As at 01.04.2018                | 5,62,77,870 |
| Changes in equity share capital | -           |
| As at 31.03.2019                | 5,62,77,870 |
| Changes in equity share capital | -           |
| As at 31.03.2020                | 5,62,77,870 |

b. Other equity

| Particulars   | Other Equity    |                   |                 |                  | Items of Other Comprehensive Income                   |   | Total          |
|---|-----------------|-------------------|-----------------|------------------|---|---|----------------|
|   | Capital Reserve | Retained earnings | General Reserve | Reserve Fund RBI | Equity Instruments through other comprehensive income | Other items of other comprehensive income |                |
| As at 01.04.2018                                    | 37,17,000       | 20,51,87,713      | 4,18,56,700     | 5,24,40,000      | -   | -   | 30,32,01,413   |
| Changes in accounting policy (Change in Fair Value) | -               | 4,38,168          | -               | -                | 61,39,96,398  | -   | 61,44,34,566   |
| Restated balance as at 01.04.2018                   | 37,17,000       | 20,56,25,881      | 4,18,56,700     | 5,24,40,000      | 61,39,96,398  | -   | 91,76,35,979   |
| Total comprehensive income for the year             | -               | -                 | -               | -                | (16,29,16,458)  | -   | (16,29,16,458) |
| Dividends   | -               | -                 | -               | -                | -   | -   | -              |
| Profit / (Loss) for the period                      | -               | (31,47,12,826)    | -               | -                | -   | -   | (31,47,12,826) |
| Income Tax Adjustments                              | -               | 40,941            | -               | -                | -   | -   | 40,941         |
| As at 31.03.2019                                    | 37,17,000       | (10,90,46,004)    | 4,18,56,700     | 5,24,40,000      | 45,10,79,939  | -   | 44,00,47,635   |
| Restated balance as at 31.03.2019                   | -               | -                 | -               | -                | -   | -   | -              |
| Total comprehensive income for the year             | -               | -                 | -               | -                | (25,29,14,946)  | -   | (25,29,14,946) |
| Dividends   | -               | -                 | -               | -                | -   | -   | -              |
| Profit / (Loss) for the period                      | -               | (57,18,27,955)    | -               | -                | -   | -   | (57,18,27,955) |
| Income Tax Adjustments                              | -               | 8                 | -               | -                | -   | -   | 8              |
| Transfer to retained earnings                       | -               | (3,00,00,000)     | -               | 3,00,00,000      | -   | -   | -              |
| As at 31.03.2020                                    | 37,17,000       | (71,08,73,951)    | 4,18,56,700     | 8,24,40,000      | 19,81,64,994  | -   | (38,46,95,257) |

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For Charurvedi & Company  
Chartered Accountants  
Firm Registration Number 302137E

Nilima Joshi  
Proprietor  
(Membership No.52122)

Place : Kolkata  
Dated : 7th July, 2020

UDIN NO. : 20052122AAAABD7877

For and on behalf of the Board

Gaurav Agarwala  
Director  
DIN : 00201469

Piyush Khaitan  
Director  
DIN : 00348151

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A38649

## ADVENTZ SECURITIES ENTERPRISES LIMITED

Regd. Office : 31, B.B.D. BAGH (S), KOLKATA - 700 001

| Statement of Consolidated Cash Flows for the period ended 31st March, 2020 |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at March 31,<br>2020 | As at March 31,<br>2019 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                                |                         |                         |
| Profit/(Loss) before tax:  | (57,77,18,053)          | (31,47,12,826)          |
| <b>Adjustments:</b>  |                         |                         |
| Finance Cost   | -                       | 2,72,42,054             |
| Depreciation   | 9,81,365                | 11,87,226               |
| Provision for Standard Assets  | -                       | 3,14,324                |
| Provision for Sub-Standard/Doubtful Assets                                 | 1,95,84,716             | 3,15,000                |
| (Profit)/Loss on Sale of Fixed Assets                                      | 404                     | (2,07,696)              |
| Sundry Balance written off   | 6                       | -                       |
| Income on Investments in Mutual Funds                                      | (2,93,614)              | (1,45,226)              |
| Dividend Income  | (45,18,781)             | (41,73,932)             |
| Net (Gain)/Loss on Fair Value  | 13,56,604               | (7,90,362)              |
| Share of (Profit)/Loss from Associates                                     | 71,38,48,046            | 17,87,43,013            |
| <b>Operating Profit before Working Capital changes</b>                     | <b>15,32,40,693</b>     | <b>(11,22,28,425)</b>   |
| <b>Adjustments for (increase)/decrease in Operating Assets:</b>            |                         |                         |
| Loans  | (7,41,45,540)           | (12,57,29,457)          |
| Other Financial Assets   | 21,23,28,271            | 97,93,650               |
| Other Non Financial Assets   | 14,01,704               | (73,714)                |
| <b>Adjustments for increase/(decrease) in Operating Liabilities</b>        |                         |                         |
| Other Non Financial Liabilities  | (11,84,647)             | 20,015                  |
| Cash generated from operations   | 29,16,40,481            | (22,82,17,931)          |
| Income taxes paid (net of refunds)   | (4,65,094)              | (22,01,426)             |
| <b>Net Cash Inflow/(Outflow) from Operating Activities</b>                 | <b>29,11,75,387</b>     | <b>(23,04,19,357)</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                                |                         |                         |
| Purchase of Fixed Assets (including Capital Advances)                      | (3,56,033)              | (12,41,624)             |
| Proceeds from Sale of Investments (net)                                    | 2,36,62,362             | (2,06,88,144)           |
| Dividend received  | 45,18,781               | 41,73,932               |
| <b>Net Cash Inflow/(Outflow) from Investing Activities</b>                 | <b>2,78,25,110</b>      | <b>(1,77,55,836)</b>    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                 |                         |                         |
| Borrowing other than Debt Securities issued (net)                          | (34,89,30,000)          | 31,03,52,602            |
| Finance Cost   | -                       | (2,72,42,054)           |
| <b>Net Cash Inflow/(Outflow) from Financing Activities</b>                 | <b>(34,89,30,000)</b>   | <b>28,31,10,548</b>     |
| <b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>                   | <b>(2,99,29,503)</b>    | <b>3,49,35,355</b>      |
| Add: Cash and cash equivalents at beginning of the year                    | 4,36,01,573             | 86,66,218               |
| <b>Cash and cash equivalents at end of the year</b>                        | <b>1,36,72,070</b>      | <b>4,36,01,573</b>      |

The accompanying notes are an integral part of the financial statements

As per our Report of even date

**For Chatruvedi & Company**  
Chartered Accountants  
Firm Registration Number 302137E

**Nilima Joshi**  
Proprietor  
(Membership No.52122)

Place : Kolkata  
Dated : 10th July, 2020

Gaurav Agarwala  
Director  
DIN : 00201469

Piyush Khaitan  
Director  
DIN : 00348151

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A38649

## **ADVENTZ SECURITIES ENTERPRISES LIMITED**

### **Notes to the consolidated financial statements for the year ended 31st March, 2020**

#### **NOTE NO. 1A : CORPORATE INFORMATION**

Adventz Securities Enterprises Limited ('the Company'), incorporated in Kolkata under the provisions of the Companies Act, 1956 having CIN No. L36993WB1995PLC069510, is a publicly held non-banking finance company listed on Calcutta Stock Exchange Limited, Delhi Stock Exchange Limited and Metropolitan Stock Exchange of India Limited. The Company is registered as non-systematically important non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India Act, 1934 having registration No. B-05.00291. The Registered and Corporate office of the Company situated at 31, Hongkong House, B.B.D. Bagh (South), Kolkata-700001.

#### **NOTE NO. 1B : SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES & JUDGMENTS**

**a) i) Basis of preparation of consolidated financial statements :** The Consolidated Financial Statements have been prepared in accordance with IND AS - 110 on "Consolidated Financial Statements" and IND AS - 28 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountant of India and notified pursuant to the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

The details are as given below :

| <u>Name of the Company</u>      | <u>Country of Incorporation</u> | <u>Voting Power</u> |
|---------------------------------|---------------------------------|---------------------|
| Adventz Finance Private Limited | India                           | 26%                 |

Investments in Associates are accounted in accordance with IND AS - 28 on "Accounting for Investments in Associates in Consolidated Financial Statements", under "equity method".

The difference between cost of investment in the associates, over the net assets at the time of acquisition of shares in the subsidiaries is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

**ii) Basis of preparation:** The financial statements for the year ended March 31, 2020 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

For periods up to and including the year ended March 31, 2019, the Company presented its financial statements under the historical cost convention and accrual basis of accounting complying with the provisions of the Companies Act, 2013, and are in accordance with generally accepted accounting principles in India ('Indian GAAP' or 'previous GAAP').

The financial statements for the year ended March 31, 2020 are first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial positions of the Company is provided in **Note 38** to the financial statements.

The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

**b) Functional and Presentation currency :** These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

**c) Historical Cost Convention :** The financial statements have been prepared on a historical cost basis, except for the following material items :

## **ADVENTZ SECURITIES ENTERPRISES LIMITED**

### **Notes to the consolidated financial statements for the year ended 31st March, 2020**

- Financial assets at Fair value through other comprehensive income (FVTOCI) that is measured at fair value
- Financial instruments at Fair value through profit and loss (FVTPL) that is measured at fair value
- Net defined benefit (assets)/liability – fair value of plan assets less present value of defined benefit obligation

**d) Significant areas of estimation uncertainty, critical judgments and assumptions in applying accounting policies :** In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**e) Revenue Recognition :** Income from loans is recognized on accrual basis, except in the case of non-performing assets where it is recognized, upon realization, as per the Prudential Norms/Directions of RBI, as applicable to NBFC's.

Income from Dividend from Shares of Corporate bodies is accounted when the company's right to receive the dividend is established.

All other income is accounted for on accrual basis.

#### **f) Financial Instruments :**

##### **I) Initial recognition and measurement :**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **II) Classifications :**

###### **Financial assets**

A financial asset is classified as subsequently measured at either amortised cost or fair value through other comprehensive income ('FVTOCI') or fair value through profit and loss (FVTPL), depending on

the contractual cash flow characteristics of the financial assets and Company's business model for managing the financial assets.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

###### **Financial instruments at Amortised Cost**

A financial asset is measured at amortised cost only if both the following conditions are met :

## **ADVENTZ SECURITIES ENTERPRISES LIMITED**

### **Notes to the consolidated financial statements for the year ended 31st March, 2020**

- It is held with in a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### **Financial assets at Fair value through Other Comprehensive Income ('FVTOCI')**

A financial asset is measured at FVTOCI only if both the following conditions are met :

- It is held with in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### **Financial assets at Fair value through Profit and Loss ('FVTPL')**

Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

#### **Investments**

All equity investments other than equity investments in subsidiaries/associates/joint ventures are measured at FVTOCI.

The carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

Quoted current investment for each category has been valued at market value. Investment in unquoted equity shares has been valued at break up value. Where the balance sheet of the investee company is not available for two years, such shares has been valued at one rupee only. Unquoted preference shares in the nature of current investment have been valued at cost. Investment in unquoted government securities has been valued at carrying cost. Valuation has been made as per the Prudential Norms/Directions of RBI, as applicable to NBFC's.

Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme. Valuation has been made as per the Prudential Norms/Directions of RBI, as applicable to NBFC's.

#### **III) Subsequent measurement :**

##### **Amortised Cost**

Amortised Cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation and fees or costs, adjusted for any loss allowance.

##### **Fair Valuation**

Fair value is the price that is expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or, in its absence, the most advantageous market to which the Company has access at that date.

## ADVENTZ SECURITIES ENTERPRISES LIMITED

### Notes to the consolidated financial statements for the year ended 31st March, 2020

#### **IV) De-recognition of financial assets and financial liabilities :**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### **V) Impairment of Assets :**

As required under 'IND AS 36- Impairment of Assets', the carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal/external factors, i.e when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired.

**g) Investment in subsidiaries, associates and joint ventures :** The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

**h) Income taxes :** Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

III) **Current Tax :** Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

IV) **Deferred Tax :** Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are to be offset by the Company.

**i) Property, Plant and Equipment :** Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses.

## ADVENTZ SECURITIES ENTERPRISES LIMITED

### Notes to the consolidated financial statements for the year ended 31st March, 2020

related to the acquisition and installation of the respective assets. All assets given on operating lease are shown at the cost of acquisition less accumulated depreciation.

**Depreciation and amortisation** - Depreciation on fixed assets is provided using the WDV method at the rates specified in Schedule II to the Companies Act, 2013. Depreciation is calculated on a prorata basis from the date of installation till the date the assets are sold or disposed. The estimated useful lives of assets for the current period are as follows:

| Category             | Useful Life |
|----------------------|-------------|
| Furniture & Fixtures | 10 Years    |
| Vehicles             | 8 Years     |
| Office Equipments    |             |
| - Computers          | 3 Years     |
| - Fax Machine        | 5 Years     |
| - Others             | 5 Years     |

#### **De-recognition**

An item of property, plant and equipment or investment property is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Transition to Ind AS** The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as of 1 April, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

**j) Provisions, Contingent Liabilities and Contingent Assets :** Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable.

Contingent liabilities are shown by way of notes to the accounts in respect of obligations, where, based on the evidence available, their existence at the balance sheet date is considered not probable.

Contingent assets are not recognized in the accounts.

**k) Contingent liabilities and contingent assets :** A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an

outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

**l) Provision/ Write off :** The company makes provision for Standard, Restructured and Non-performing Assets as per the Non-Systematically Important Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended from time to time. The company also makes additional provision, to the extent considered necessary, and based on the management's best estimate.

## ADVENTZ SECURITIES ENTERPRISES LIMITED

### Notes to the consolidated financial statements for the year ended 31st March, 2020

Loans and Advances which, as per the management are not likely to be recovered are considered as bad debts and written off.

**m) Cash and Cash equivalent :** For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**n) Cash Flow Statement :** Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**o) Inventories :** Stock of land is valued at cost. Stock of Equity Shares valued at cost or reliable value whichever is lower.

**p) Employee Retirement Benefit :** Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.  
Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

**q) Segment Reporting :** The Company operates in one segment i.e. Investment & Finance only. Hence, Segment reporting as required under IND AS 108- Segment reporting is not applicable.



**NOTE NO. 2 : CASH & CASH EQUIVALANTS**

Amount in Rs

|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|---|-------------------------|-------------------------|-------------------------|
| Cash on Hand (as certified by the Management) | 992                     | 1,447                   | 20,216                  |
| Balances with Bank (in Current Account)       | 1,24,93,006             | 36,00,126               | 86,46,002               |
| Cheque in Hand                                | 11,78,072               | 4,00,00,000             | -                       |
|   | <b>1,36,72,070</b>      | <b>4,36,01,573</b>      | <b>86,66,218</b>        |

Notes to the consolidated financial statements for the year ended 31st March, 2020

**NOTE NO 3 : LOAN**

Amount in Rs

| Particulars                                  | As at 31st March, 2020 |                                    |                        |   |          |                     | As at 31st March, 2019 |                                    |                        |   |          |                     | As at 1st April, 2018 |                                    |                        |   |          |                     |          |
|--|------------------------|------------------------------------|------------------------|---|----------|---------------------|------------------------|------------------------------------|------------------------|---|----------|---------------------|-----------------------|------------------------------------|------------------------|---|----------|---------------------|----------|
|  | Amortised Cost         | At Fair Value                      |                        |   |          | Total               | Amortised Cost         | At Fair Value                      |                        |   |          | Total               | Amortised Cost        | At Fair Value                      |                        |   |          | Total               |          |
|  |                        | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal |                     |                        | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal |                     |                       | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal |                     |          |
| <b>Loans</b>                                 |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |          |
| A) i) Term Loans                             | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   | -        |
| ii) Other Loans                              |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |          |
| Intercorporate Deposits                      | 38,36,15,900           | -                                  | -                      | -   | -        | 38,36,15,900        | 30,94,70,360           | -                                  | -                      | -   | -        | 30,94,70,360        | 18,37,40,903          | -                                  | -                      | -   | -        | 18,37,40,903        |          |
| <b>Total (A) Gross</b>                       | <b>38,36,15,900</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>38,36,15,900</b> | <b>30,94,70,360</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>30,94,70,360</b> | <b>18,37,40,903</b>   | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>18,37,40,903</b> |          |
| Less : Impairment Loss Allowance             | 96,11,716              | -                                  | -                      | -   | -        | 96,11,716           | 3,50,000               | -                                  | -                      | -   | -        | 3,50,000            | 35,000                | -                                  | -                      | -   | -        | 35,000              |          |
| <b>Total (A) Net</b>                         | <b>37,40,04,184</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>37,40,04,184</b> | <b>30,91,20,360</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>30,91,20,360</b> | <b>18,37,05,903</b>   | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>18,37,05,903</b> |          |
| B) i) Secured by tangible assets/ cash flows | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   | -        |
| ii) Secured by intangible assets             | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   | -        |
| iii) Covered by Bank/Government Guarantees   | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   | -        |
| iv) Unsecured                                | 38,36,15,900           | -                                  | -                      | -   | -        | 38,36,15,900        | 30,94,70,360           | -                                  | -                      | -   | -        | 30,94,70,360        | 18,37,40,903          | -                                  | -                      | -   | -        | 18,37,40,903        |          |
| <b>Total (B) Gross</b>                       | <b>38,36,15,900</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>38,36,15,900</b> | <b>30,94,70,360</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>30,94,70,360</b> | <b>18,37,40,903</b>   | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>18,37,40,903</b> |          |
| Less : Impairment Loss Allowance             | 96,11,716              | -                                  | -                      | -   | -        | 96,11,716           | 3,50,000               | -                                  | -                      | -   | -        | 3,50,000            | 35,000                | -                                  | -                      | -   | -        | 35,000              |          |
| <b>Total (B) Net</b>                         | <b>37,40,04,184</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>37,40,04,184</b> | <b>30,91,20,360</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>30,91,20,360</b> | <b>18,37,05,903</b>   | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>18,37,05,903</b> |          |
| C) i) Loans in India                         |                        |                                    |                        |   |          |                     |                        |                                    |                        |   |          |                     |                       |                                    |                        |   |          |                     |          |
| - Public Sector                              | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   | -        |
| - Others                                     | 38,36,15,900           | -                                  | -                      | -   | -        | 38,36,15,900        | 30,94,70,360           | -                                  | -                      | -   | -        | 30,94,70,360        | 18,37,40,903          | -                                  | -                      | -   | -        | 18,37,40,903        |          |
| <b>Total (C)(i) Gross</b>                    | <b>38,36,15,900</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>38,36,15,900</b> | <b>30,94,70,360</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>30,94,70,360</b> | <b>18,37,40,903</b>   | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>18,37,40,903</b> |          |
| Less : Impairment Loss Allowance             | 96,11,716              | -                                  | -                      | -   | -        | 96,11,716           | 3,50,000               | -                                  | -                      | -   | -        | 3,50,000            | 35,000                | -                                  | -                      | -   | -        | 35,000              |          |
| <b>Total (C)(i) Net</b>                      | <b>37,40,04,184</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>37,40,04,184</b> | <b>30,91,20,360</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>30,91,20,360</b> | <b>18,37,05,903</b>   | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>18,37,05,903</b> |          |
| ii) Loans Outside India                      | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   | -        |
| Less : Impairment Loss Allowance             | -                      | -                                  | -                      | -   | -        | -                   | -                      | -                                  | -                      | -   | -        | -                   | -                     | -                                  | -                      | -   | -        | -                   | -        |
| <b>Total (C)(ii) Net</b>                     | <b>-</b>               | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>-</b>            | <b>-</b>               | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>-</b>            | <b>-</b>              | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>-</b>            | <b>-</b> |
| <b>Total (C)(i) &amp; (C)(ii)</b>            | <b>37,40,04,184</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>37,40,04,184</b> | <b>30,91,20,360</b>    | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>30,91,20,360</b> | <b>18,37,05,903</b>   | <b>-</b>                           | <b>-</b>               | <b>-</b>  | <b>-</b> | <b>18,37,05,903</b> |          |

Notes to the consolidated financial statements for the year ended 31st March, 2020

NOTE NO. 4 : INVESTMENTS

Amount in Rs

| Particulars   | As at 31st March, 2020 |                                    |                        |   |                     |                       |                       | As at 31st March, 2019 |                                    |                        |   |                     |                       |                       | As at 1st April, 2018 |                                    |                        |   |                     |                       |                       |              |
|---|------------------------|------------------------------------|------------------------|---|---------------------|-----------------------|-----------------------|------------------------|------------------------------------|------------------------|---|---------------------|-----------------------|-----------------------|-----------------------|------------------------------------|------------------------|---|---------------------|-----------------------|-----------------------|--------------|
|   | Amortised Cost         | At Fair Value                      |                        |   |                     | Others*               | Total                 | Amortised Cost         | At Fair Value                      |                        |   |                     | Others*               | Total                 | Amortised Cost        | At Fair Value                      |                        |   |                     | Others*               | Total                 |              |
|   |                        | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal            |                       |                       |                        | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal            |                       |                       |                       | Through Other Comprehensive Income | Through Profit or Loss | Designated at Fair Value through Profit or Loss | Subtotal            |                       |                       |              |
| i) Mutual Funds                                     | -                      | -                                  | 40,10,417              | -   | 40,10,417           | -                     | 40,10,417             | -                      | -                                  | 2,87,35,769            | -   | 2,87,35,769         | -                     | 2,87,35,769           | -                     | -                                  | 71,12,036              | -   | 71,12,036           | -                     | 71,12,036             |              |
| ii) Government securities                           | -                      | -                                  | -                      | -   | -                   | -                     | -                     | -                      | -                                  | -                      | -   | -                   | -                     | -                     | 2,000                 | -                                  | -                      | 2,000   | -                   | 2,000                 | -                     | 2,000        |
| iii) Equity instruments                             | -                      | 41,20,61,123                       | -                      | -   | 41,20,61,123        | -                     | 41,20,61,123          | 74,00,11,000           | -                                  | -                      | -   | 74,00,11,000        | -                     | 74,00,11,000          | -                     | 95,53,34,788                       | -                      | 95,53,34,788                                    | -                   | 95,53,34,788          | -                     | 95,53,34,788 |
| iv) Associates                                      | -                      | -                                  | -                      | -   | -                   | 1,98,65,11,310        | 1,98,65,11,310        | -                      | -                                  | -                      | -   | -                   | 2,70,03,59,356        | 2,70,03,59,356        | -                     | -                                  | -                      | -   | 2,87,91,02,369      | -                     | 2,87,91,02,369        |              |
| v) Bond & Debentures                                | -                      | -                                  | -                      | -   | -                   | -                     | -                     | -                      | -                                  | -                      | -   | -                   | -                     | -                     | 4,400                 | -                                  | -                      | 4,400   | -                   | 4,400                 | -                     | 4,400        |
| vi) In Units of Trusts and schemes of Venture Funds | -                      | 30,000                             | -                      | -   | 30,000              | -                     | 30,000                | -                      | 30,000                             | -                      | -   | 30,000              | -                     | 30,000                | -                     | 30,000                             | -                      | 30,000  | -                   | 30,000                | -                     | 30,000       |
| <b>Total – Gross A</b>                              | -                      | <b>41,20,91,123</b>                | <b>40,10,417</b>       | -   | <b>41,61,01,540</b> | <b>1,98,65,11,310</b> | <b>2,40,26,12,850</b> | -                      | <b>74,00,41,000</b>                | <b>2,87,35,769</b>     | -   | <b>76,87,76,768</b> | <b>2,70,03,59,356</b> | <b>3,46,91,36,124</b> | -                     | <b>95,53,71,188</b>                | <b>71,12,036</b>       | -   | <b>96,24,83,224</b> | <b>2,87,91,02,369</b> | <b>3,84,15,85,593</b> |              |
| (i) Investments in India                            | -                      | 41,20,91,123                       | 40,10,417              | -   | 41,61,01,540        | 1,98,65,11,310        | 2,40,26,12,850        | -                      | 74,00,41,000                       | 2,87,35,769            | -   | 76,87,76,768        | 2,70,03,59,356        | 3,46,91,36,124        | -                     | 95,53,71,188                       | 71,12,036              | -   | 96,24,83,224        | 2,87,91,02,369        | 3,84,15,85,593        |              |
| (ii) Investments outside India                      | -                      | -                                  | -                      | -   | -                   | -                     | -                     | -                      | -                                  | -                      | -   | -                   | -                     | -                     | -                     | -                                  | -                      | -   | -                   | -                     | -                     |              |
| <b>Total – Gross B</b>                              | -                      | <b>41,20,91,123</b>                | <b>40,10,417</b>       | -   | <b>41,61,01,540</b> | <b>1,98,65,11,310</b> | <b>2,40,26,12,850</b> | -                      | <b>74,00,41,000</b>                | <b>2,87,35,769</b>     | -   | <b>76,87,76,768</b> | <b>2,70,03,59,356</b> | <b>3,46,91,36,124</b> | -                     | <b>95,53,71,188</b>                | <b>71,12,036</b>       | -   | <b>96,24,83,224</b> | -                     | <b>96,24,83,224</b>   |              |
| Less: Impairment loss allowance (C)                 | -                      | -                                  | -                      | -   | -                   | -                     | -                     | -                      | -                                  | -                      | -   | -                   | -                     | -                     | 40,79,594             | -                                  | -                      | 40,79,594                                       | -                   | 40,79,594             | -                     | 40,79,594    |
| <b>Total – Net D=(A)-(C)</b>                        | -                      | <b>41,20,91,123</b>                | <b>40,10,417</b>       | -   | <b>41,61,01,540</b> | <b>1,98,65,11,310</b> | <b>2,40,26,12,850</b> | -                      | <b>74,00,41,000</b>                | <b>2,87,35,769</b>     | -   | <b>76,87,76,768</b> | <b>2,70,03,59,356</b> | <b>3,46,91,36,124</b> | -                     | <b>95,12,91,594</b>                | <b>71,12,036</b>       | -   | <b>95,84,03,630</b> | <b>2,87,91,02,369</b> | <b>3,83,75,05,999</b> |              |

Notes to the consolidated financial statements for the year ended 31st March, 2020

**NOTE NO. 5 : OTHER FINANCIAL ASSETS**

| Amount in Rs  |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|
|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
| <b>Inventories</b>  |                         |                         |                         |
| <i>Quoted Equity Shares (Cost or Market Value whichever is lower)<br/>of Bharat Road Networks Ltd. of Rs.10/- each<br/>(No.of Shares 2326200)</i> | -                       | 21,36,61,470            | 22,34,55,120            |
| Dividend Receivable   | 13,33,199               | -                       | -                       |
| <b>Other Advances</b>   |                         |                         |                         |
| Unsecured-Considered Good<br>Loans & Advances   | 50,000                  |                         |                         |
| Unsecured-Considered Doubtful<br>Loans & Advances   | 1,03,23,000             |                         |                         |
| Less : Provision  | (1,03,23,000)           | 1,03,73,000             | 1,03,73,000             |
|   | <b>13,83,199</b>        | <b>22,40,34,470</b>     | <b>23,38,28,120</b>     |

**NOTE NO. 6 : INVENTORIES**

| Amount in Rs                                |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|
|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
| <b>Land - at Cost</b>                       |                         |                         |                         |
| <i>Land at Chingrihata (5B.8Cot. 8 Ch.)</i> | 2,31,500                | 2,31,500                | 2,31,500                |
|   | <b>2,31,500</b>         | <b>2,31,500</b>         | <b>2,31,500</b>         |

Above land have been transferred to the company vide order of the Hon'ble Calcutta High Court and yet to be mutated in the name of the Company.

**NOTE NO. 7 : CURRENT TAX ASSETS**

| Amount in Rs                    |                         |                         |                         |
|---------------------------------|-------------------------|-------------------------|-------------------------|
|                                 | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
| Advance Tax (Net of Provisions) | 1,76,06,754             | 1,71,41,660             | 1,48,99,293             |
|                                 | <b>1,76,06,754</b>      | <b>1,71,41,660</b>      | <b>1,48,99,293</b>      |

Notes to the consolidated financial statements for the year ended 31st March, 2020

**NOTE NO. 8 : PROPERTY, PLANT AND EQUIPMENT**

Amount in Rs

| Description                    | Gross Block             |                 |                        |                         | Accumulated depreciation/ amortisation |                   |                        |                        | Net book value          |                         |
|--------------------------------|-------------------------|-----------------|------------------------|-------------------------|--|-------------------|------------------------|------------------------|-------------------------|-------------------------|
|                                | As at<br>31 March, 2019 | Additions       | Sales /<br>Adjustments | As at<br>31 March, 2020 | Upto<br>31 March, 2019                 | For the<br>Period | Sales /<br>Adjustments | Upto<br>31 March, 2020 | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
| <b>Tangible Assets</b>         |                         |                 |                        |                         |  |                   |                        |                        |                         |                         |
| Leasehold Land                 | 30,934                  | -               | -                      | 30,934                  | -                                      | -                 | -                      | -                      | 30,934                  | 30,934                  |
| Buildings                      | 69,56,009               | -               | -                      | 69,56,009               | 62,44,083                              | -                 | -                      | 62,44,083              | 7,11,926                | 7,11,926                |
| Furniture & Fixtures           | 6,85,380                | 32,850          | -                      | 7,18,230                | 6,49,983                               | 6,424             | -                      | 6,56,407               | 61,823                  | 35,397                  |
| Vehicles                       | 30,30,288               | -               | -                      | 30,30,288               | 10,18,274                              | 6,28,350          | -                      | 16,46,624              | 13,83,664               | 20,12,014               |
| Computer                       | 12,50,888               | -               | -                      | 12,50,888               | 10,60,043                              | 91,516            | -                      | 11,51,559              | 99,329                  | 1,90,845                |
| Office Equipments              | 12,70,608               | 3,27,683        | (14,000)               | 15,84,291               | 8,93,787                               | 2,55,075          | (9,096)                | 11,39,766              | 4,44,525                | 3,76,821                |
| <b>Total</b>                   | <b>1,32,24,107</b>      | <b>3,60,533</b> | <b>(14,000)</b>        | <b>1,35,70,640</b>      | <b>98,66,170</b>                       | <b>9,81,365</b>   | <b>(9,096)</b>         | <b>1,08,38,439</b>     | <b>27,32,201</b>        | <b>33,57,937</b>        |
| <b>Previous Year's figures</b> | 1,10,12,544             | 22,76,107       | (7,47,499)             | 1,25,41,152             | 95,44,953                              | 6,10,480          | (7,10,124)             | 94,45,309              | 30,95,843               | -                       |

Note : The Land being leased from Kolkata Port Trust have expired (Refer Note No. 28 & 29)

**NOTE NO. 8 : PROPERTY, PLANT AND EQUIPMENT**

Amount in Rs

| Description            | Gross Block            |                  |                        |                         | Accumulated depreciation/ amortisation |                   |                        |                        | Net book value          |                        |
|------------------------|------------------------|------------------|------------------------|-------------------------|--|-------------------|------------------------|------------------------|-------------------------|------------------------|
|                        | As at<br>1 April, 2018 | Additions        | Sales /<br>Adjustments | As at<br>31 March, 2019 | As at<br>1 April, 2018                 | For the<br>Period | Sales /<br>Adjustments | Upto<br>31 March, 2019 | As at<br>31 March, 2019 | As at<br>1 April, 2018 |
| <b>Tangible Assets</b> |                        |                  |                        |                         |  |                   |                        |                        |                         |                        |
| Leasehold Land         | 30,934                 | -                | -                      | 30,934                  | -                                      | -                 | -                      | -                      | 30,934                  | 30,934                 |
| Buildings              | 69,56,009              | -                | -                      | 69,56,009               | 62,44,083                              | -                 | -                      | 62,44,083              | 7,11,926                | 7,11,926               |
| Furniture & Fixtures   | 6,85,380               | -                | -                      | 6,85,380                | 6,49,279                               | 704               | -                      | 6,49,983               | 35,397                  | 36,101                 |
| Vehicles               | 25,80,496              | 13,58,461        | (9,08,669)             | 30,30,288               | 9,70,784                               | 8,13,855          | (7,66,365)             | 10,18,274              | 20,12,014               | 16,09,712              |
| Computer               | 11,24,592              | 1,26,296         | -                      | 12,50,888               | 9,39,434                               | 1,20,609          | -                      | 10,60,043              | 1,90,845                | 1,85,158               |
| Office Equipments      | 11,63,741              | 1,06,867         | -                      | 12,70,608               | 6,41,729                               | 2,52,058          | -                      | 8,93,787               | 3,76,821                | 5,22,012               |
| <b>Total</b>           | <b>1,25,41,152</b>     | <b>15,91,624</b> | <b>(9,08,669)</b>      | <b>1,32,24,107</b>      | <b>94,45,309</b>                       | <b>11,87,226</b>  | <b>(7,66,365)</b>      | <b>98,66,170</b>       | <b>33,57,937</b>        | <b>30,95,843</b>       |

Notes to the consolidated financial statements for the year ended 31st March, 2020

**NOTE NO. 9 : OTHER NON FINANCIAL ASSETS**

Amount in Rs

|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|---|-------------------------|-------------------------|-------------------------|
| Security Deposit (Interest Free)              | 26,69,074               | 26,69,074               | 26,18,824               |
| Balance with Statutory/Government Authorities | 1,76,688                | 1,76,688                | 1,76,690                |
| Advances to Employees (Short Term)            | 2,41,200                | 1,00,000                | 78,300                  |
| Other Advances                                | 12,10,471               | 12,10,471               | 12,10,471               |
| Pre Paid Expenses/Advances against Expenses   | 1,33,815                | 1,36,078                | 1,34,312                |
| Rent Receivables-Unsecured-Considerd Good     | 4,65,815                | 20,06,456               | 20,06,456               |
|   | <b>48,97,063</b>        | <b>62,98,767</b>        | <b>62,25,053</b>        |

**NOTE NO. 10 : BORROWINGS (OTHER THAN DEBT SECURITIES)**

Amount in Rs

| Particulars                   | As at 31st March, 2020 |                                       |   |                     | As at 31st March, 2019 |                                       |   |                     | As at 1st April, 2018 |                                       |   |                     |
|-------------------------------|------------------------|---------------------------------------|---|---------------------|------------------------|---------------------------------------|---|---------------------|-----------------------|---------------------------------------|---|---------------------|
|                               | At Amortised Cost      | At Fair Value Through profit and loss | Designated at fair value through profit or loss | Total               | At Amortised Cost      | At Fair Value Through profit and loss | Designated at fair value through profit or loss | Total               | At Amortised Cost     | At Fair Value Through profit and loss | Designated at fair value through profit or loss | Total               |
| (a) Loans repayable on demand |                        |                                       |   |                     |                        |                                       |   |                     |                       |                                       |   |                     |
| Unsecured                     |                        |                                       |   |                     |                        |                                       |   |                     |                       |                                       |   |                     |
| Inter Corporate Deposits      | 24,19,98,482           | -                                     | -   | 24,19,98,482        | 59,09,28,482           | -                                     | -   | 59,09,28,482        | 28,05,75,880          | -                                     | -   | 28,05,75,880        |
| <b>Total (a)</b>              | <b>24,19,98,482</b>    | <b>-</b>                              | <b>-</b>  | <b>24,19,98,482</b> | <b>59,09,28,482</b>    | <b>-</b>                              | <b>-</b>  | <b>59,09,28,482</b> | <b>28,05,75,880</b>   | <b>-</b>                              | <b>-</b>  | <b>28,05,75,880</b> |
| (b) Borrowings in India       | 24,19,98,482           | -                                     | -   | 24,19,98,482        | 59,09,28,482           | -                                     | -   | 59,09,28,482        | 28,05,75,880          | -                                     | -   | 28,05,75,880        |
| Borrowings outside India      |                        |                                       |   |                     |                        |                                       |   |                     |                       |                                       |   |                     |
| <b>Total (b)</b>              | <b>24,19,98,482</b>    | <b>-</b>                              | <b>-</b>  | <b>24,19,98,482</b> | <b>59,09,28,482</b>    | <b>-</b>                              | <b>-</b>  | <b>59,09,28,482</b> | <b>28,05,75,880</b>   | <b>-</b>                              | <b>-</b>  | <b>28,05,75,880</b> |

(\$ Includes Sales Tax Loan from WBIDC Ltd. for Rs 8,170,967 under Incentive Scheme of Govt. of West Bengal which was repayable as follows:

|  |           |
|--|-----------|
| Installments falling due on 31.03.2001 | 7,04,233  |
| Installments falling due on 31.03.2002 | 9,34,734  |
| Installments falling due on 30.06.2004 | 21,76,833 |
| Installments falling due on 30.06.2005 | 21,76,833 |
| Installments falling due on 30.06.2006 | 21,78,334 |

Unsecured loan from Calcutta Tramways Corporation Ltd. has been transferred on Amalgamation to the Company as per Order of Hon'ble Calcutta High Court. No repayment of the same has been made and interest on the same has not been accounted for.

**NOTE NO. 11 : PROVISIONS**

Amount in Rs

|  | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|--|-------------------------|-------------------------|-------------------------|
| Contingent Provision against Standard Assets | 7,72,801                | 7,72,801                | 4,58,477                |
|  | <b>7,72,801</b>         | <b>7,72,801</b>         | <b>4,58,477</b>         |

**NOTE NO. 12 : DEFERRED TAX LIABILITIES (net)**

Amount in Rs

|   | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|---|-------------------------|-------------------------|-------------------------|
| <b>Deferred Tax Liability</b>   |                         |                         |                         |
| Taxation impact on valuation of Investment valued under Other Comprehensive Income                        | 5,87,91,689             | 13,38,26,621            | 18,21,60,757            |
| (A)   | <b>5,87,91,689</b>      | <b>13,38,26,621</b>     | <b>18,21,60,757</b>     |
| <b>Deferred Tax Assets</b>  |                         |                         |                         |
| Tax impact on difference between book value of depreciable assets and written down value for tax purposes | 2,55,762                | 1,71,885                | 1,71,885                |
| Tax impact of unabsorbed depreciation and losses  | 46,01,933               | 33,79,953               | 33,79,953               |
| Tax impact of expenses charged to statement of profit & loss but allowance under tax laws deferred        | 49,49,682               | 3,65,441                | 3,65,441                |
| (B)   | <b>98,07,377</b>        | <b>39,17,279</b>        | <b>39,17,279</b>        |
| (A+B)   | <b>4,89,84,312</b>      | <b>12,99,09,342</b>     | <b>17,82,43,478</b>     |

Deferred Tax assets has not been recognised on short term capital loss of Rs.17.18 crores due to absence of virtual certainty of future

**NOTE NO. 13 : OTHER NON-FINANCIAL LIABILITIES**

Amount in Rs

|                                    | As at<br>31 March, 2020 | As at<br>31 March, 2019 | As at<br>01 April, 2018 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Security Deposit (Interest Free)   | 4,18,580                | 4,18,580                | 4,18,580                |
| Statutory Dues Payable             | 7,29,766                | 20,67,857               | 20,37,429               |
| Lease Rent Payable                 | 52,14,156               | 51,89,156               | 53,64,156               |
| Advance from Customers             | 40,260                  | 40,260                  | 40,260                  |
| Other Payables (year end accruals) | 5,91,765                | 4,63,321                | 2,98,734                |
|                                    | <b>69,94,527</b>        | <b>81,79,174</b>        | <b>81,59,159</b>        |

Notes to the consolidated financial statements for the year ended 31st March, 2020

**NOTE NO. 14 : EQUITY**

| Particulars                                 | As at 31-03-2020 |                    | As at 31-03-2019 |                    | As at 01-04-2018 |                    |
|---|------------------|--------------------|------------------|--------------------|------------------|--------------------|
|   | Nos.             | Amount in Rs       | Nos.             | Amount in Rs       | Nos.             | Amount in Rs       |
| a) <b>Capital Structure</b>                 |                  |                    |                  |                    |                  |                    |
| <b>Authorised</b>                           |                  |                    |                  |                    |                  |                    |
| Equity Shares of Rs. 10/- each              | 56,50,000        | 5,65,00,000        | 56,50,000        | 5,65,00,000        | 56,50,000        | 5,65,00,000        |
| <b>Issued, Subscribed and Fully Paid Up</b> |                  |                    |                  |                    |                  |                    |
| Equity Shares of Rs. 10/- each              | 56,27,787        | 5,62,77,870        | 56,27,787        | 5,62,77,870        | 56,27,787        | 5,62,77,870        |
| b) <b>Share Capital Reconciliation</b>      |                  |                    |                  |                    |                  |                    |
| <b>Equity Shares</b>                        |                  |                    |                  |                    |                  |                    |
| Opening balance                             | 56,27,787        | 5,62,77,870        | 56,27,787        | 5,62,77,870        | 56,27,787        | 5,62,77,870        |
| Add : Issued during the period              | -                | -                  | -                | -                  | -                | -                  |
| <b>Closing Balance</b>                      | <b>56,27,787</b> | <b>5,62,77,870</b> | <b>56,27,787</b> | <b>5,62,77,870</b> | <b>56,27,787</b> | <b>5,62,77,870</b> |

**Equity Shares**

i) The Company has only one class of equity shares having a par value of Rs.10/- each. Each shareholder of equity share is entitled to one vote per share.

ii) In the event of liquidation of the Company, the holders of equity shares will 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 share held by the shareholders.

iii) Company has not brought back or issue bonus or issue shares for consideration other than cash during the five year period immediately preceding the reporting date.

c) **Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date**

| Name of Shareholders                        | As at 31-03-2020 |                   | As at 31-03-2019 |                   | As at 01-04-2018 |                   |
|---|------------------|-------------------|------------------|-------------------|------------------|-------------------|
|   | No. of Shares    | % of Shareholding | No. of Shares    | % of Shareholding | No. of Shares    | % of Shareholding |
| Adventz Finance Pvt. Ltd. (Holding Company) | 36,32,528        | 64.55%            | 36,32,528        | 64.55%            | 36,32,528        | 64.55%            |
| Poddar Projects Ltd.                        | 3,96,000         | 7.04%             | 3,96,000         | 7.04%             | 3,96,000         | 7.04%             |
| Saroj Kumar Poddar                          | 3,61,110         | 6.42%             | 3,61,110         | 6.42%             | 3,61,110         | 6.42%             |

**NOTE NO. 15 : OTHER EQUITY**

| Particulars  | Amount in Rs          |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | As at 31-03-2020      | As at 31-03-2019      | As at 01-04-2018      |
| <b>Capital Reserves - State Capital Subsidy</b>                | <b>37,17,000</b>      | 37,17,000             | 37,17,000             |
| <b>General Reserve (on amalgamation)</b>                       | <b>4,18,56,700</b>    | 4,18,56,700           | 4,18,56,700           |
| <b>Reserve Fund (RBI)</b>                                      |                       |                       |                       |
| Opening balance  | 5,24,40,000           | 5,24,40,000           | 5,24,40,000           |
| Add: Transfer during the year                                  | 3,00,00,000           | -                     | -                     |
| Closing Balance  | <b>8,24,40,000</b>    | 5,24,40,000           | 5,24,40,000           |
| <b>Surplus/(Deficit) in the Statement of Profit &amp; Loss</b> |                       |                       |                       |
| Opening balance  | 2,73,77,61,082        | 3,05,24,32,967        | 58,96,82,046          |
| Profit for the year  | (57,18,27,955)        | (31,47,12,826)        | 2,45,59,64,666        |
| Add : MAT Credit Entitlement                                   | -                     | -                     | 67,86,255             |
| Add: Income Tax Adjustments                                    | 8                     | 40,941                | -                     |
| Less: Transfer to Reserve Fund                                 | (3,00,00,000)         | -                     | -                     |
| Net Surplus at the end of the year                             | <b>2,13,59,33,135</b> | 2,73,77,61,082        | 3,05,24,32,967        |
| <b>Equity Instruments through other comprehensive income</b>   |                       |                       |                       |
| Opening balance  | 45,10,79,939          | 61,39,96,398          | -                     |
| Add: Transfer during the year                                  | (25,29,14,946)        | (16,29,16,458)        | 61,39,96,398          |
| Closing Balance  | <b>19,81,64,994</b>   | 45,10,79,939          | 61,39,96,398          |
| <b>Total</b>   | <b>2,46,21,11,829</b> | <b>3,28,68,54,721</b> | <b>3,76,44,43,065</b> |

**Other Equity**

i) Statutory Reserve Fund (RBI) : Statutory Reserve Fund represents the Reserve Fund created under section 451C of the Reserve Bank of India Act, 1934. Under Section 451C, the Company is required to transfer a sum not less than twenty percent of its net profit for the financial year to the statutory reserve. The statutory reserve can be utilised for the purposes as may be specified by the Reserve Bank of India from time to time.

ii) General Resere (on Amalgamation) : General Reserve created and set aside on Amalgamation and merger. It is utilised in accordance with the provisions of Companies Act, 2013.

iii) Capital Resere (State Capital Subsidy)) : Capital Reserve created and set aside on account of capital subsidy received from the State Government . It is utilised in accordance with the provisions of Companies Act, 2013.

Notes to the consolidated financial statements for the year ended 31st March, 2020

**NOTE NO. 16 : INTEREST INCOME**

Amount in Rs

|                   | 2019-20  |  |   | 2018-19  |  |   |
|-------------------|--|--|---|--|--|---|
|                   | On Financial Assets measured at fair value through OCI | On Financial Assets measured at Amortised Cost | Interest Income on Financial Assets classified at fair value through profit or loss | On Financial Assets measured at fair value through OCI | On Financial Assets measured at Amortised Cost | Interest Income on Financial Assets classified at fair value through profit or loss |
| Interest on Loans | -  | 3,07,98,371                                    | -   | -  | 2,42,08,184                                    | -   |
|                   | -  | 3,07,98,371                                    | -   | -  | 2,42,08,184                                    | -   |

**NOTE NO. 17 : NET GAIN ON FAIR VALUE CHANGES**

Amount in Rs

|   | 2019-20           | 2018-19         |
|---|-------------------|-----------------|
| (a) <u>Net gain/ (loss) on financial instruments at fair value through profit or loss</u> |                   |                 |
| (i) On trading portfolio  |                   |                 |
| - Investments : Mutual Funds  | -13,56,604        | 7,90,362        |
| <b>Total Net gain/(loss) on fair value changes</b>  | <b>-13,56,604</b> | <b>7,90,362</b> |
| (b) Fair Value Changes:   |                   |                 |
| - Realised  |                   |                 |
| - Unrealised  |                   |                 |
| <b>Total Net gain/(loss) on fair value changes(b) to tally with (a)</b>                   |                   |                 |

**NOTE NO. 18 : OTHER INCOME**

Amount in Rs

|   | 2019-20         | 2018-19         |
|---|-----------------|-----------------|
| Interest on Income Tax Refund                   | 2,49,948        | -               |
| Profit on Sale of Property, Plant and Equipment | -               | 2,07,696        |
| Others  | 15,000          | 10,849          |
|   | <b>2,64,948</b> | <b>2,18,545</b> |

**NOTE NO. 19 : FINANCE COST**

Amount in  
Rs

|                        | 2019-20  |  | 2018-19  |  |
|------------------------|--|--|--|--|
|                        | On Financial liabilities measured at fair value through profit or loss | On Financial Assets measured at Amortised Cost | On Financial liabilities measured at fair value through profit or loss | On Financial Assets measured at Amortised Cost |
| Interest on borrowings | -  | -  | -  | 2,72,42,054                                    |
|                        | -  | -  | -  | <b>2,72,42,054</b>                             |



**NOTE NO. 20 : CHANGE IN INVENTORY**

|                                | Amount in Rs        |                  |
|--------------------------------|---------------------|------------------|
|                                | 2019-20             | 2018-19          |
| Opening Stock                  | 21,38,92,970        | 22,36,86,620     |
| Less - Closing Stock           | 2,31,500            | 21,38,92,970     |
| <b>Net Change in Inventory</b> | <b>21,36,61,470</b> | <b>97,93,650</b> |

**NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES**

|   | Amount in Rs     |                  |
|---|------------------|------------------|
|   | 2019-20          | 2018-19          |
| Salaries, Wages & Allowances              | 65,48,176        | 58,88,151        |
| Contribution to Provident and Other Funds | 6,78,181         | 5,98,039         |
| Staff Welfare Expenses                    | 78,186           | 75,114           |
|   | <b>73,04,543</b> | <b>65,61,304</b> |

**NOTE NO. 22 : OTHER EXPENSES**

|  | Amount in Rs       |                  |
|--|--------------------|------------------|
| Particulars                                | 2019-20            | 2018-19          |
| Rent                                       | 3,00,000           | 3,00,000         |
| Rates & Taxes                              | 4,800              | 4,650            |
| CSR Donation                               | -                  | 50,000           |
| Insurance                                  | 3,00,336           | 2,24,564         |
| Establishment Charges                      | 1,88,780           | 1,76,893         |
| Electricity Charges                        | 79,939             | 97,375           |
| Legal, Professional & Consultancy Expenses | 9,35,003           | 6,04,574         |
| Travelling & Conveyance                    | 1,15,227           | 3,47,438         |
| Telephone Charges                          | 1,08,485           | 1,63,543         |
| Repairs & Maintenance                      | 83,794             | 3,51,424         |
| Auditors' Remuneration                     |                    |                  |
| Audit Fees                                 | 1,41,600           | 1,06,200         |
| Certification Fees                         | 2,62,550           | 53,100           |
| Motor Car Expenses                         | 4,95,721           | 4,07,692         |
| Listing & Registrar expenses               | 1,77,000           | 10,03,000        |
| Security Service Charges                   | 1,91,160           | 1,91,160         |
| Miscellaneous Expenses                     | 8,61,987           | 10,38,772        |
| Security Transaction Tax Paid              | 24                 | 1,14,504         |
| Provision for Standard Assets              | -                  | 3,14,324         |
| Provision for Doubtful Assets              | 1,95,84,716        | 3,15,000         |
| Prior Period Expenses                      | -                  | 554              |
| Bad Debts                                  | 15,40,641          | -                |
|  | <b>2,53,71,763</b> | <b>58,64,767</b> |

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2020**

| <b>23. Contingent liabilities</b>  | <b>Amount (Rs)</b> | <b>Amount (Rs)</b> |
|--|--------------------|--------------------|
| (i) Contested demand of sales tax and penalty thereon for the years 1990-91,1991-92 & 1995-96  | 42,82,174          | 42,82,174          |
| (ii) Contested demand of Income Tax assesment year 1985-86, 1986-87, 1990-91, 1998-99, 2006-07, 2008-09, 2009-10, 2010-11 and 2011-12  | 47,92,384          | 47,92,384          |
| (iii) Contested demand of arrear rent charges including interest for the period June 1998 to May 2006 levied by the Estate Officer, Kolkata Port Trust in respect of lease premises at Taratala Road | 2,78,05,395        | 2,78,05,395        |
| (iv) Partly paid up shares of company  | 3,500              | 3,500              |
| (v) Claims against Company not acknowledged as debts   | 19,67,205          | 19,67,205          |

24. Demands from Central Excise and Customs Authorities claiming in aggregate Rs 8,32,280/- (P.Y. Rs 13,32,280/-) in respect of various matters are pending and being contested by the Company. This includes Rs 1,09,556/- of Central Excise liability though confirmed by appellate authorities, but since the verification to determine the final liability is pending, provision thereof shall be made only on confirmation. Similarly, pending finality of the other matters; no provision has been made for these in the accounts.

25. No provision for accrued liability of gratuity and leave encashment has been made in these accounts (amount unascertained).

26. Capital commitment over right and entitlement over constructed area in the Ishwarnagar Property in New Delhi is Nil (Previous year Nil) after netting off advances. The advances of Rs.98 Lacs (Previous Year 98 Lacs) paid by the Company for the said acquisition is outstanding for a long time and doubtful of transaction being completed necessary provision made in the accounts.

**27.**

(a) As per terms of settlement between the Company and West Bengal State Electricity Board ('WBSEB'), WBSEB had agreed to provide concession of Rs 375 lacs approx. in respect of maximum demand charges from August, 1982 onwards, if granted to other Mini Steel Plants by the Court or otherwise. As per the order dated 10th December, 1986, the Hon'ble Court at Kolkata had directed WBSEB to modify and amend maximum demand charges claimed by them from other Mini Steel Plants against which WBSEB preferred an appeal. The appeal filed by WBSEB has been allowed by the Court. The other Mini Steel Plants have filed special leave petition before the Hon'ble Supreme Court, which is pending. The Company is expecting substantial relief on this account, which will be accounted for on finality of the matter. Pending this, the arrear Maximum Demand charges, as amicably settled with WBSEB, have been paid by the Company. Liability of interest/late payment surcharge on this account being not finally determined, no provision thereof has been made in the accounts with effect from 01.04.1989.

(b) The matter with regard to Company's claim for interest on Rs 23.63 lacs being amount refunded by WBSEB against provisional bills for the months June, 1988 to December, 1988 is pending before the Hon'ble Court at Kolkata which will be accounted for on finality of the matter.

28. The agreement for godown at Paharpur taken on Lease from Kolkata Port Trust (KPT) has been expired in 2002 and the same is yet to be renewed by KPT. The Company have filed a petition before the Alipore District Court, Kolkata for renewal of lease which is pending before the Court. As per Direction of the said Court, the Company has deposited a sum of Rs.25 Lacs with the Registrar, pending outcome of the matter. KPT has also claimed compensation of Rs.1.36 Crores pertaining to the period 15.09.2002 to 26.08.2009. Further the said Court has also directed the Company to pay Rs.25000/- as monthly rent to KPT which the company has been regular in payment. The godown has been subleased to West Bengal State Warehousing Corporation (WBSWC) and the tenant has given rent till June, 2009 and thereafter no rent has been received from them. The company has filed suit against WBSWC for recovery and eviction of the said tenant which is pending for disposal. No rental income on the godown has been accounted for in the accounts till certainty of recovery.

29. The agreement for godown at Taratala taken on lease from KPT has expired in 1998 and eviction notice issued by KPT. As per direction of the Estate Officer, the company paid Rs.12 Lacs to KPT towards arrear rent. KPT has claimed compensation of Rs.278.05 Lacs for the period from June,1998 to May,2006, which was contested by the company. No accounting for the same has been done by the Company. The portion of the godown was sub-leased to M/s.Jogendra Prasad Nayak & Sons who have vacated the godown and settled their dues in installments as per Settlement Agreement, but last installment is still pending. The balance area has been sub-leased to International Blending & Warehousing Corporation, who has not paid rent since July,1985 and is still occupying the area. The Company has filed suit against the aforesaid tenants for recovery/eviction, which is pending for disposal. In cases of ongoing disputes and non-receipt, the rental income from aforesaid tenants is not accounted for till certainty of recovery thereof. Management feels it is prudent not to account for, until receipt.

30. Balance in respect of certain Loans and Advances, Sundry Debtors are subject to confirmation from the respective parties and as such the recoverability thereof is unascertainable. Certain balances appearing in Sundry creditors, advance from customers' accounts, are also subject to confirmation.

31. The Company have sub-leased the godowns at Taratala and Paharpur taken on lease from Kolkata Port Trust to various parties who have defaulted in payment of rent. The Company has filed legal cases on the sub-tenents for recovery of the same and shall be accounted for as and when recovered by the Company.

**32. Segment Reporting**

The Company operates in one segment i.e. Investments and Finance, hence segment reporting has not been given.

### 33. Related Party Disclosures

As per IND-AS 24 'Related Party Disclosures' issued by ICAI, the disclosure of transactions with related parties are given below:

#### (i) Names of the related parties and description of relationship

##### List of related parties where control exists

#### 1. Key Management personal (KMP) and their relatives

|   |                      |
|---|----------------------|
| Mr. Akshay Poddar                         | Director             |
| Mrs. Puja Akshay Poddar                   | Director             |
| Mrs. Shradha Agarwala (w.e.f. 13/02/2020) | Director             |
| Mr. Saroj Kumar Poddar                    | Relative of Director |
| Mrs. Jyotsna Poddar                       | Relative of Director |
| Mr. Gaurav Agarwala                       | Director             |
| Mr. Devendra Khemka                       | CFO/Manager          |
| Mrs. Punam Singh                          | Company Secretary    |

#### 2. Associates

Adventz Finance Pvt. Ltd. (Holding Company)

#### 3. Enterprises where KMP/ relatives have significant influence or control

|                                    |   |
|------------------------------------|---|
| Adventz Finance Pvt. Ltd.          | Lionel Edwards Ltd.                         |
| Adventz Investment Co. Pvt. Ltd.   | Texmaco Infrastructure & Holdings Ltd.      |
| Adventz Homecare Pvt. Ltd.         | Texmaco Rail & Engineering Ltd.             |
| Greenland Trading Pvt. Ltd.        | Zuari Agro Chemicals Ltd.                   |
| Indrakshi Trading Co. Pvt. Ltd.    | Zuari Global Ltd.                           |
| Adventz Industries India Pvt. Ltd. | Future Fuels (International) India Pvt.Ltd. |
| Lionel India Ltd.                  | Eureka Traders Pvt.Ltd.                     |
| Shracom Pvt.Ltd.                   |   |

#### (ii) Transactions with related parties during the period

| Sl. No | Name of the Related Party  | 2019-2020      | 2018-2019      |
|--------|--|----------------|----------------|
|        |  | Rs             | Rs             |
| 1.     | <b>Adventz Finance Pvt. Ltd.</b>   |                |                |
|        | <u>Year end balances:</u>  |                |                |
|        | Investment in Shares   | 1,98,65,11,310 | 2,70,03,59,356 |
| 2.     | <b>Adventz Investment Company Pvt.Ltd.</b>                                     |                |                |
|        | <u>Year end balances:</u>  |                |                |
|        | Investment in Shares   | 5,57,57,094    | 5,57,57,094    |
|        | Loan Given   | 3,95,00,000    | -              |
|        | <u>Year end balances:</u>  |                |                |
|        | Year end receivables (Provision of Rs.3950000/- has been made during the year) | 3,95,00,000    | -              |
| 3.     | <b>Greenland Trading Pvt. Ltd.</b>   |                |                |
|        | <u>Year end balances:</u>  |                |                |
|        | Investment in Shares   | 17,41,250      | 17,41,250      |
| 4.     | <b>Indrakshi Trading Co. Pvt. Ltd.</b>   |                |                |
|        | <u>Year end balances:</u>  |                |                |
|        | Investment in Shares   | 17,07,500      | 17,07,500      |
| 5.     | <b>Lionel India Ltd.</b>   |                |                |
|        | <u>Transactions</u>  |                |                |
|        | Travelling Expense   | 96,882         | 3,07,335       |
|        | Interest received  | 32,29,611      | 19,13,989      |
|        | Loan Given   | 4,37,50,000    | 5,50,00,000    |
|        | <u>Year end balances:</u>  |                |                |
|        | Year end receivables   | 4,49,17,369    | 3,40,05,622    |
| 6.     | <b>Future Fuels (International) India Ltd.</b>                                 |                |                |
|        | <u>Transactions</u>  |                |                |
|        | Interest received  | 6,52,411       | 2,082          |
|        | Loan Given   | 1,15,00,000    | 20,00,000      |
|        | <u>Year end balances:</u>  |                |                |
|        | Year end receivables   | 1,16,87,002    | 20,02,082      |
| 7.     | <b>Texmaco Infrastructure &amp; Holdings Ltd.</b>                              |                |                |
|        | <u>Transactions</u>  |                |                |
|        | Dividend Received  | 7,61,828       | 7,61,828       |
|        | <u>Year end balances:</u>  |                |                |
|        | Investment in Shares   | 11,78,92,883   | 21,52,16,410   |
| 8.     | <b>Texmaco Rail &amp; Engineering Ltd.</b>                                     |                |                |
|        | <u>Transactions</u>  |                |                |
|        | Dividend Received  | 13,33,199      | 9,52,285       |
|        | <u>Year end balances:</u>  |                |                |
|        | Investment in Shares   | 7,42,78,230    | 26,28,30,660   |
|        | <u>Transactions</u>  |                |                |
|        | Interest received  | 97,87,500      | -              |

|  |                                 |                                  |   |
|--|---------------------------------|----------------------------------|---|
| Loan Given   | 7,00,00,000                     | -                                |   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables   | 7,22,42,369                     | -                                |   |
| <b>Texmaco Rail &amp; Engineering Ltd. (Unit : Kalindee Rail Nirmaan Engineers Ltd.)</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  | 1,10,959                        | 27,00,000                        |   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables   | -                               | 2,03,92,801                      |   |
| <b>9. Zuari Agro Chemicals Ltd.</b>  |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Dividend Received  | -                               | -                                |   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Investment in Shares   | 61,01,147                       | 1,84,61,527                      |   |
| <b>10. Zuari Global Ltd.</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Dividend Received  | 98,804                          | 98,804                           |   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Investment in Shares   | 27,07,230                       | 1,08,33,859                      |   |
| <b>11. Adventz Industries Pvt. Ltd.</b>  |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  | 34,383                          | 13,170                           |   |
| Loan Given   | 3,25,000                        | 2,25,000                         |   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables   | -                               | 3,25,000                         |   |
| <b>12. Eureka Traders Pvt.Ltd.</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  | -                               | -                                |   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables (Provision of Rs.350000/- has been made in the accounts)  | 3,50,000                        | 3,50,000                         |   |
| <b>13. Shracom Pvt. Ltd.</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  | 2,92,471                        | 4,521                            |   |
| Loan Given   | 25,00,000                       | 25,00,000                        |   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables   | 25,25,484                       | 25,04,521                        |   |
| <b>14. Gobind Sugar Mills Ltd.</b>   |                                 |                                  |   |
| <u>Transactions</u>  |                                 |                                  |   |
| Interest received  | -                               | 10,00,000                        |   |
| Loan Given   | 80,00,000                       | 80,00,000                        |   |
| <u>Year end balances:</u>  |                                 |                                  |   |
| Year end receivables (Provision of Rs.800065/- has been made during the year)  | 80,00,649                       | 80,00,649                        |   |
| <b>34. Earning per share (EPS)</b>   | <b>31 March, 2020</b>           | <b>31 March, 2019</b>            |   |
| The following reflects the profit and share data used in the basic and diluted EPS computations:   |                                 |                                  |   |
| Net Profit / (Loss) attributable to equity shareholders (in Rs)  | (57,18,27,955)                  | (31,47,12,826)                   |   |
| Weighted average number of equity shares in calculating EPS  | 56,27,787                       | 56,27,787                        |   |
| Nominal value of Equity Shares (in Rs)   | 10                              | 10                               |   |
| Basic & Diluted EPS (in Rs)  | (101.61)                        | (55.92)                          |   |
| <b>35.</b> On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets during the period 01.04.2019 to 31.03.2020 |                                 |                                  |   |
| <b>36.</b> The Company has maintained general provision towards outstanding Standard Assets @ 0.25% amounting to Rs 772,801 as per Notification issued by Reserve Bank of India.                                   |                                 |                                  |   |
| <b>37. Disclosures for IND-AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' :</b>   |                                 |                                  |   |
|  | Provision for<br>doubtful debts | Provision for<br>Standard Assets | Provision for<br>Doubtful Loans &<br>Advances |
|  | Rs                              | Rs                               | Rs  |
| Carrying amount at the beginning of the year   | -                               | 7,72,801                         | 3,50,000                                      |
| Additional provision during the year   | -                               | -                                | 1,95,84,716                                   |
|  | -                               | 7,72,801                         | 1,99,34,716                                   |
| Amounts charged against the provisions   | -                               | -                                | -   |
| Carrying amount at the end of the year   | -                               | 7,72,801                         | 1,99,34,716                                   |

## ADVENTZ SECURITIES ENTERPRISES LIMITED

### Notes to the consolidated financial statements for the year ended 31st March, 2020

#### **NOTE NO. 38 : First time adoption of Ind AS A. Explanation of transition to Ind AS**

##### **A. Explanation of transition to Ind AS**

These financial statements, for the year ended 31 March 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP) and in accordance with prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by the Reserve Bank of India (RBI) for NBFCs to the extent applicable (collectively referred as ““Previous GAAP””). In preparing these financial statements, the Company’s opening balance sheet was prepared as at 1 April 2018, the Company’s date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019. In preparing the financial statements, the Company has applied the optional exemptions and mandatory exceptions. Significant items are explained below:

- (vii) **Property, plant and equipment, intangible assets and investment properties** As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.
- (viii) **Investments in group companies** The Company has elected to apply the exemption available under Ind AS 101 to use the carrying value (measured as per the previous GAAP) for all its investments in associates as recognised in the financial statements as at the date of transition to Ind AS, as deemed cost as at the date of transition.
- (ix) **Derecognition of financial assets and liabilities** The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively.

##### **B) Note to the reconciliation :**

- ix) **Fair valuation of investments** Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on intention of management at the time of purchase. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. In accordance with Ind AS, the Company has recognised the net fair value changes relating to in equity instruments in the statement of profit and loss.
- x) **Tax impact on adjustments** Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.
- xi) **Retained earnings** Retained earnings as at 1 April 2018 has been adjusted consequent to the above Ind AS transition adjustments
- xii) **Other comprehensive income** Items of income and expense that are not recognised in profit or loss but are shown in other comprehensive income includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI instruments. The concept of other comprehensive income did not exist under previous GAAP

**Notes to the consolidated financial statements for the year ended 31st March, 2020**

**C) Reconciliation of equity as at 1st April, 2018 and 31st March, 2019**

(Amount in Rs)

|     | Particulars                                   | Notes to first-time adoption | As at 31-03-2019      |                                    |                       | As at 01-04-2018      |                                    |                       |
|-----|---|------------------------------|-----------------------|------------------------------------|-----------------------|-----------------------|------------------------------------|-----------------------|
|     |   |                              | Previous GAAP*        | Adjustment on transition to Ind AS | Ind AS                | Previous GAAP*        | Adjustment on transition to Ind AS | Ind AS                |
|     | <b>ASSETS</b>                                 |                              |                       |                                    |                       |                       |                                    |                       |
| (1) | <b>Financial Assets</b>                       |                              |                       |                                    |                       |                       |                                    |                       |
| (a) | Cash and Cash Equivalents                     |                              | 4,36,01,573           | -                                  | 4,36,01,573           | 86,66,218             | -                                  | 86,66,218             |
| (b) | Bank Balance other than included in (a) above |                              | -                     | -                                  | -                     | -                     | -                                  | -                     |
| (c) | Loans   |                              | 30,91,20,360          | -                                  | 30,91,20,360          | 18,37,05,903          | -                                  | 18,37,05,903          |
| (d) | Investments                                   | B(i)                         | 78,72,82,121          | 2,68,18,54,003                     | 3,46,91,36,124        | 67,87,95,190          | 3,15,87,10,809                     | 3,83,75,05,999        |
| (e) | Other Financial Assets                        |                              | 22,40,34,470          | -                                  | 22,40,34,470          | 23,38,28,120          | -                                  | 23,38,28,120          |
|     |   |                              | <b>1,36,40,38,524</b> | <b>2,68,18,54,003</b>              | <b>4,04,58,92,527</b> | <b>1,10,49,95,431</b> | <b>3,15,87,10,809</b>              | <b>4,26,37,06,240</b> |
| (2) | <b>Non-Financial Assets</b>                   |                              |                       |                                    |                       |                       |                                    |                       |
| (a) | Inventories                                   |                              | 2,31,500              | -                                  | 2,31,500              | 2,31,500              | -                                  | 2,31,500              |
| (b) | Current Tax Assets (Net)                      |                              | 1,71,41,660           | -                                  | 1,71,41,660           | 1,48,99,293           | -                                  | 1,48,99,293           |
| (c) | Property, Plant and Equipment                 |                              | 33,57,937             | -                                  | 33,57,937             | 30,95,843             | -                                  | 30,95,843             |
| (d) | Other Non-Financial Assets                    |                              | 62,98,767             | -                                  | 62,98,767             | 62,25,053             | -                                  | 62,25,053             |
| (e) | Deferred Tax Assets (Net)                     | B(ii)                        | 39,17,279             | (39,17,279)                        | -                     | 39,17,279             | (39,17,279)                        | -                     |
|     |   |                              | <b>3,09,47,143</b>    | <b>(39,17,279)</b>                 | <b>2,70,29,864</b>    | <b>2,83,68,968</b>    | <b>(39,17,279)</b>                 | <b>2,44,51,689</b>    |
|     | <b>TOTAL ASSETS</b>                           |                              | <b>1,39,49,85,667</b> | <b>2,67,79,36,724</b>              | <b>4,07,29,22,391</b> | <b>1,13,33,64,399</b> | <b>3,15,47,93,530</b>              | <b>4,28,81,57,929</b> |
|     | <b>LIABILITIES AND EQUITY</b>                 |                              |                       |                                    |                       |                       |                                    |                       |
| (1) | <b>Financial Liabilities</b>                  |                              |                       |                                    |                       |                       |                                    |                       |
| (a) | Borrowings (Other than Debt Securities)       |                              | 59,09,28,482          | -                                  | 59,09,28,482          | 28,05,75,880          | -                                  | 28,05,75,880          |
|     |   |                              | <b>59,09,28,482</b>   | <b>-</b>                           | <b>59,09,28,482</b>   | <b>28,05,75,880</b>   | <b>-</b>                           | <b>28,05,75,880</b>   |
| (2) | <b>Non-Financial Liabilities</b>              |                              |                       |                                    |                       |                       |                                    |                       |
| (a) | Provisions                                    |                              | 7,72,801              | -                                  | 7,72,801              | 4,58,477              | -                                  | 4,58,477              |
| (b) | Deferred Tax Liabilities (Net)                | B(ii)                        | -                     | 12,99,09,342                       | 12,99,09,342          | -                     | 17,82,43,478                       | 17,82,43,478          |
| (c) | Other Non-Financial Liabilities               |                              | 81,79,174             | -                                  | 81,79,174             | 81,59,159             | -                                  | 81,59,159             |
|     |   |                              | <b>89,51,975</b>      | <b>12,99,09,342</b>                | <b>13,88,61,317</b>   | <b>86,17,636</b>      | <b>17,82,43,478</b>                | <b>18,68,61,114</b>   |
| (3) | <b>Equity</b>                                 |                              |                       |                                    |                       |                       |                                    |                       |
| (a) | Equity Share Capital                          |                              | 5,62,77,870           | -                                  | 5,62,77,870           | 5,62,77,870           | -                                  | 5,62,77,870           |
| (b) | Other Equity                                  | B(i) & B(iv)                 | 73,88,27,340          | 2,54,80,27,381                     | 3,28,68,54,721        | 78,78,93,013          | 2,97,65,50,052                     | 3,76,44,43,065        |
|     |   |                              | <b>79,51,05,210</b>   | <b>2,54,80,27,381</b>              | <b>3,34,31,32,591</b> | <b>84,41,70,883</b>   | <b>2,97,65,50,052</b>              | <b>3,82,07,20,935</b> |
|     | <b>TOTAL LIABILITIES AND EQUITY</b>           |                              | <b>1,39,49,85,667</b> | <b>2,67,79,36,723</b>              | <b>4,07,29,22,391</b> | <b>1,13,33,64,399</b> | <b>3,15,47,93,530</b>              | <b>4,28,81,57,929</b> |

\* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**Notes to the consolidated financial statements for the year ended 31st March, 2020**

**D) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2019**

(Amount in Rs)

| Particulars   | Notes to first-time adoption | Previous GAAP*        | Adjustment on transition to Ind AS | Ind AS                        |
|---|------------------------------|-----------------------|------------------------------------|-------------------------------|
| <b>Revenue from Operations</b>  |                              |                       |                                    |                               |
| (i) Interest Income   | B(i)                         | 2,42,08,184           | -                                  | 2,42,08,184                   |
| (ii) Dividend Income  |                              | 41,73,932             | -                                  | 41,73,932                     |
| (iii) Net Gain on Fair Value Changes  |                              |                       | <b>7,90,362</b>                    | <b>7,90,362</b>               |
| (iv) Others - Profit on Sale of Mutual Fund   |                              | 1,45,226              | -                                  | 1,45,226                      |
| <b>(I) Total Revenue from Operations</b>  |                              | <b>2,85,27,342</b>    | <b>7,90,362</b>                    | <b>2,93,17,704</b>            |
| (II) Other Income (to be specified)   |                              | 2,18,545              | -                                  | 2,18,545                      |
| <b>(III) Total Income (I+II)</b>  |                              | <b>2,87,45,887</b>    | -                                  | <b>2,95,36,249</b>            |
| <b>Expenses</b>   |                              |                       |                                    |                               |
| (i) Finance Cost  |                              | 2,72,42,054           | -                                  | 2,72,42,054                   |
| (ii) Purchase of Stock-in-Trade   |                              | 11,48,57,061          | -                                  | 11,48,57,061                  |
| (iii) Change in Inventories   |                              | 97,93,650             | -                                  | 97,93,650                     |
| (iv) Employees Benefit Expenses   |                              | 65,61,304             | -                                  | 65,61,304                     |
| (v) Depreciation  |                              | 11,87,226             | -                                  | 11,87,226                     |
| (vi) Other Expenses   |                              | 58,64,767             | -                                  | 58,64,767                     |
| <b>(IV) Total Expenses</b>  |                              | <b>16,55,06,062</b>   | -                                  | <b>16,55,06,062</b>           |
| (V) Profit/(Loss) before exceptional items & Tax (III-IV)   |                              | <b>(13,67,60,175)</b> | -                                  | <b>(13,59,69,813)</b>         |
| (VI) Share of Profit from Associates  | B(i)                         | <b>8,76,53,561</b>    | <b>(26,63,96,574)</b>              | <b>(17,87,43,013)</b>         |
| (VII) Profit/(Loss) before Tax (V-VI)   |                              | <b>(4,91,06,614)</b>  | -                                  | <b>(31,47,12,826)</b>         |
| (VIII) Tax Expenses<br>Current Tax<br>Deferred Tax  |                              | -                     | -                                  | -                             |
| <b>(IX) Profit/(Loss) for the year (VII-VIII)</b>   |                              | <b>(4,91,06,614)</b>  | -                                  | <b>(31,47,12,826)</b>         |
| (X) Other Comprehensive Income<br><b>(A)</b><br>(i) Items that will not be reclassified to profit or loss<br>a) Gains/(Losses on Equity Instruments through Other Comprehensive Income<br>(ii) Income tax relating to items that will not be reclassified to profit or loss<br><b>(B)</b><br>(i) Items that will be reclassified to profit or loss<br>(ii) Income tax relating to items that will be reclassified to profit or loss | B(iv)<br>B(ii)               | -<br>-                | (21,12,50,594)<br>4,83,34,136      | (21,12,50,594)<br>4,83,34,136 |
| <b>(XI) Total Comprehensive Income for the period (IX+X)<br/>(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>   |                              | <b>(4,91,06,614)</b>  | <b>(16,29,16,458)</b>              | <b>(47,76,29,284)</b>         |

**E) Summary reconciliation of Total Comprehensive Income and total equity**

| Particulars  | for the year ended 31-03-2019 | for the year ended 01-04-2018 |
|--|-------------------------------|-------------------------------|
| <b>Net Profit after Tax as per Previous GAAP</b>   | <b>(4,91,06,614)</b>          | 9,34,11,012                   |
| Fair Valuation of Investments and Other Financial Instruments through Profit and Loss, net of tax effects            | <b>(26,56,06,212)</b>         | 2,36,25,53,654                |
| <b>Net Profit after Tax as per Ind AS</b>  | <b>(31,47,12,826)</b>         | 2,45,59,64,666                |
| Fair Valuation of Investments and Other Financial Instruments through Other Comprehensive Income, net of tax effects | <b>(16,29,16,458)</b>         | 61,39,96,398                  |
| <b>Total Comprehensive Income as per IND AS</b>  | <b>(47,76,29,284)</b>         | 3,06,99,61,064                |

**F) Summary reconciliation of Total Equity**

| Particulars  | for the year ended 31-03-2019 | for the year ended 01-04-2018 |
|--|-------------------------------|-------------------------------|
| <b>Equity as reported under Previous GAAP</b>  | <b>79,51,05,210</b>           | 84,41,70,883                  |
| Fair Valuation of Investments and Other Financial Instruments through Profit and Loss, net of tax effects            | <b>(26,56,06,212)</b>         | 2,36,25,53,654                |
| Fair Valuation of Investments and Other Financial Instruments through Other Comprehensive Income, net of tax effects | <b>2,81,36,33,593</b>         | 61,39,96,398                  |
| <b>Total Equity as per IND AS</b>  | <b>3,34,31,32,591</b>         | 3,82,07,20,935                |

\* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**39. Impact of COVID :**

The outbreak of novel Corona virus (COVID-19) pandemic globally is causing a slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations. The Company has considered the possible effects on its business that may result from COVID-19 on the carrying amount of receivables and other investments made by the Company as on the reporting date. Based on assumptions and current estimates in view of the pandemic, the Company expects that the carrying amounts of receivables and other investments will be recovered in due course of time. Also, there is no material uncertainty on the ability of the Company to continue as a going concern and there is no material event/ circumstances due to COVID-19 as on the date of approval of the Financial Statement that requires separate adjustment or disclosure.

**40. Dues to Micro, Small & Medium Enterprises as defined under the MSMED Act,2006**

- (a) Due to insufficient information from suppliers regarding their MSME status, the amount due to Micro, Small & Medium Enterprises could not be ascertained.
- (b) On the basis of information available with the Company under the aforesaid Act, there are no Enterprises to whom the Company owes dues which are outstanding at year end. This has been relied upon by the Auditors.

41. The Company has opted the provisions of Section 115BAA of the Income Tax Act, 1961 for determination of current tax liability from the financial year ended 31st, March, 2020 corresponding to the assessment year 2020-2021.

**42. Expenses in foreign currency on account of travelling Rs Nil (Previous year Rs 1,75,122/-)**

43. Previous year figures have been reclassified wherever appropriate to confirm to current year's presentation.

**44. All the figures in these notes are in 'Rs' except otherwise stated.**

As per our report of even date

For and on behalf of the Board

**For Chaturvedi & Company**  
**Firm Registration No. 302137E**  
*Chartered Accountants*

Gaurav Agarwala  
Director  
DIN : 00201469

**Nilima Joshi**  
*Partner*  
M. No. 52122

Piyush Khaitan  
Director  
DIN : 00348151

Place : Kolkata  
Dated : 10th July, 2020

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A3864



**ADVENTZ SECURITIES ENTERPRISES LIMITED**

**Disclosure required under Schedule III of the Companies Act, 2013**

| Sl. No. | Name of the Entity                                      | Net Assets                      |                       |                                 |                       | Share of profit                        |                       |  |                       |
|---------|---|---------------------------------|-----------------------|---------------------------------|-----------------------|--|-----------------------|--|-----------------------|
|         |   | 2019-2020                       |                       | 2018-2019                       |                       | 2019-2020                              |                       | 2018-2019                              |                       |
|         |   | As % of consolidated net assets | Amount (Rs)           | As % of consolidated net assets | Amount (Rs)           | As % of consolidated net profit & loss | Amount (Rs)           | As % of consolidated net profit & loss | Amount (Rs)           |
| 1       | <u>Parent</u><br>Adventz Securities Enterprises Limited | 22.40                           | 56,41,73,672          | 20.19                           | 67,50,68,519          | (23.56)                                | 13,61,29,993          | 43.20                                  | (13,59,69,813)        |
| 2       | <u>Subsidiaries</u>                                     |                                 |                       |                                 |                       |  |                       |  |                       |
|         | <u>Indian</u>   | -                               | -                     | -                               | -                     | -                                      | -                     | -                                      | -                     |
|         | <u>Foreign</u>  | -                               | -                     | -                               | -                     | -                                      | -                     | -                                      | -                     |
| 3       | Minority Interest in subsidiary                         | -                               | -                     | -                               | -                     | -                                      | -                     | -                                      | -                     |
| 4       | <u>Associates (Investment as per Equity Method)</u>     |                                 |                       |                                 |                       |  |                       |  |                       |
|         | <u>Indian</u>   | -                               | -                     | -                               | -                     | -                                      | -                     | -                                      | -                     |
|         | Adventz Finance Private Limited                         | 77.60                           | 1,95,42,16,027        | 79.81                           | 2,66,80,64,072        | 123.56                                 | (71,38,48,046)        | 56.80                                  | (17,87,43,013)        |
|         | <u>Foreign</u>  | -                               | -                     | -                               | -                     | -                                      | -                     | -                                      | -                     |
| 5       | <u>Joint Ventures</u>                                   |                                 |                       |                                 |                       |  |                       |  |                       |
|         | <u>Indian</u>   | -                               | -                     | -                               | -                     | -                                      | -                     | -                                      | -                     |
|         | <u>Foreign</u>  | -                               | -                     | -                               | -                     | -                                      | -                     | -                                      | -                     |
|         | <b>Total</b>  | <b>100.00</b>                   | <b>2,51,83,89,699</b> | <b>100.00</b>                   | <b>3,34,31,32,591</b> | <b>100.00</b>                          | <b>(57,77,18,053)</b> | <b>100.00</b>                          | <b>(31,47,12,826)</b> |

As per our report of even date

**For Chaturvedi & Company**  
Firm Registration No. 302137E  
Chartered Accountants

**Nilima Joshi**  
Partner  
M. No. 52122

Kolkata  
July 10, 2020

For and on behalf of the Board

Gaurav Agarwala  
Chairman  
DIN : 00201469

Piyush Khaitan  
Director  
DIN : 00348151

Devendra Khemka  
Chief Financial Officer

Punam Singh  
Company Secretary  
Membership No.:A38649