



To,

Central Statutory Auditors  
Bank of India

Dear Sir,

This letter is provided in connection with your audit of the consolidated financial statements of Bank of India (hereinafter referred to as "the Bank") for the year ended March 31, 2020 for the purpose of expressing an opinion on whether the financial statements of the Bank give a true and fair view of the it's financial position for the year 2019-20 in accordance with generally accepted accounting principles in India. We understand that this letter has been requested by you in terms of SA 600 issued by Institute of Chartered Accountants of India on using the work of Another Auditor.

We confirm receipt of appointment letter issued by C&AG advising us to perform the statutory audit of BOI Merchant Bankers Ltd. (hereinafter referred to as "the Company") for the financial year 2019-20. We have completed the statutory audit for the year ended March 31, 2020 and attaching herewith copy of our audit report dated June 12, 2020 for considering the same in consolidation.

In connection with the work that we will perform on the financial statements of the Company, we understand that we need to draw your attention to those matters arising from our work on the financial statements which we believe you need to be aware of in your audit of the consolidated financial statements of the Bank.

**We acknowledge that:**

1. The financial statements of the Company will be included in the consolidated financial statements of the Bank.
2. You intend to use our work for the audit of the consolidated financial statements of the Bank and our report on the financial statements of the Company will be relied upon and referred to by you.



3. There were no limitations on the scope of our audit that limits our ability to provide you with any information that you or the Bank has requested.

**We confirm that :**

1. The appointment letter (as stated above) issued to us was clear and there were no ambiguities and we have complied with the same.
2. While auditing the financial statements of the Company, we have performed audit procedures that an auditor is required to perform in terms of The Companies Act, 2013.

If you need any clarification or further information, we would be happy to provide the same on hearing from you.

Thanking you,

Yours faithfully,

For and on behalf of  
**Chandabhoy & Jassoobhoy**  
Chartered Accountants

  
**Ambesh Dave**

**Partner**

**Membership No.:049289**

**Mumbai: 12.06.2020**





**Chandabhoj & Jassoobhoj**  
**Chartered Accountants**

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## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of**  
**BOI MERCHANT BANKERS LIMITED**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **OPINION**

1. We have audited the accompanying financial statements of **BOI MERCHANT BANKERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and its profit and its cash flows for the year ended on that date.

#### **BASIS FOR OPINION**

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the



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

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

3. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

### **RESPONSIBILITY OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either



intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
6. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial



statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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.

#### **OTHER MATTER:**

7. The financial statements of the Company as on March 31, 2020 were audited under exceptional circumstances due to prevailing lockdown conditions on account of Covid-19 pandemic. The audit was conducted remotely. Documentation and other requirements along with discussion with the Management were held telephonically and over emails with some restrictions over confidential data which could not be provided by the Company remotely. We had adopted relevant alternative procedure to issue our audit opinion in respect of these matters. Our opinion is not modified in respect of these matters.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

8. As required by Companies (Auditor's Report) Order 2016 ("the Order") issued by Central Government of India in terms of sub section (11) of Section 143 of the Companies Act 2013, we give in "Annexure I" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
9. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of 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) 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 II**"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement 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.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which have impact on its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Company
10. As required by the Directions issued by the office of Comptroller & Auditor General of India under Section 143 (5) of the Act, we report that:
- i. As per the information and explanation given to us and based on the verification of books of account, the Company is maintaining its books of account in Accounting Software (Tally.ERP9) and all the transactions are entered into the software.



- ii. As per the information and explanation given to us, there is no case of waiver/write off of debts / loans / interest made by a lender to the Company during the year.
- iii. As per the information and explanation given to us, the Company has not received / receivable for special schemes from central / state agencies.

For and on behalf of  
**Chandabhoy & Jassoobhoy**  
**Chartered Accountants**  
**Firm Registration No. 101647W**

*Ambesh Dave*  
**Ambesh Dave**  
**Partner**  
**(Membership No.: 049289)**  
**UDIN: 20049289AAAABA4603**  
**Mumbai: June 12, 2020**





## **"ANNEXURE I" TO THE AUDITORS' REPORT**

Referred to in paragraph 8 of the Auditors Report of even date to the Members of **BOI Merchant bankers Limited** on the accounts for the year ended 31<sup>st</sup> March, 2020.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, physical verification of fixed assets was conducted by the Management during the year at reasonable intervals. No discrepancies were noticed on such physical verification.  
  
As per the records examined by us, the Company does not have any Immovable Property. Hence, clause 3(i)(c) of the Order is not  
  
(c) applicable to the Company for the year under audit.
2. The nature of operations of the company does not require it to hold inventories. Hence, Clause 3 (ii) of the order is, therefore, not applicable to the company for the year under audit
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any company, firm, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3 (iii) (a), (b) and (c) of the Order is, therefore, not applicable to the Company for the year under audit.
4. According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security nor made any investments as specified in Section 185 and 186 of the Act. Clause 3(iv) of the Order is, therefore, not applicable to the Company for the year under audit.
5. The Company has not accepted any deposits during the year and hence the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company.



- 6 According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.
7. (a) According to the information & explanations given to us and records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, Custom duty, excise duty, profession tax, goods and service Tax, cess and any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no material undisputed statutory dues outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or goods and service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute as at March 31, 2020.
8. According to the information and explanations given to us and based on the records examined by us, the Company has not defaulted in repayment of dues to financial institutions, banks, Government or dues to debenture holders.
9. According to the information and explanations given to us and the records of the Company examined by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable.
10. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.
11. According to the information and explanation given to us and on the basis of verification of books of accounts, the managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. According to the information and explanation given to us, the Company is not a Nidhi Company and hence the clause 3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details have been disclosed



in the financial statements as required by the applicable accounting standards.

14. According to the information & explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and accordingly requirements of section 42 of the Companies Act, 2013 and clause 3 (xiv) of the Order is not applicable to the Company.
15. According to the information & explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly provision of section 192 of the Companies Act, 2013 and clause 3 (xv) of the Order is not applicable to the Company during the year.
16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Clause 3(xvi) of the Order is, therefore, not applicable to the Company.

For and on behalf of  
**Chandabhoy & Jassoobhoy**  
**Chartered Accountants**  
**Firm Registration No. 101647W**

  
**Ambesh Dave**  
**Partner**  
**(Membership No.: 049289)**  
**UDIN: 20049289AAAABA4603**



Mumbai: June 12, 2020

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## **"Annexure II" to Independent Auditor's Report**

Referred to in paragraph 9 (f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of **BOI MERCHANT BANKERS LIMITED** on the financial statements for the year ended March 31, 2020.

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

We have audited the Internal Financial Controls over financial reporting of **BOI MERCHANT BANKERS LIMITED** ("the Company") as on March 31, 2020 in conjunction with our audit of the financial statements of the company for the year ended on that date.

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

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

### **Auditor's 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 Act, 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 was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. As stated in other matter section of our report, audit was conducted remotely under exceptional circumstances due to prevailing lockdown conditions on account of Covid-19 pandemic. Documentation and other requirements along with discussion with the Management were held telephonically and over emails with some restrictions over confidential data which could not be provided by the Company remotely. We had adopted relevant alternative procedure to issue our audit opinion in respect of these matters. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

Due to the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override




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

### **Opinion**

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

For and on behalf of  
**Chandabhoy & Jassoobhoy**  
**Chartered Accountants**  
**Firm Registration No. 101647W**

  
**Ambesh Dave**  
**Partner**  
**(Membership No.: 049289)**  
**UDIN: 20049289AAAABA4603**  
Mumbai: June 12, 2020



**BOI MERCHANT BANKERS LIMITED**

**Balance Sheet As At 31.03.2020**

(Amount in Rs.)

Particulars	Note No	31st March, 2020	31st March, 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDER'S FUND</b>			
(a) Share Capital	1	10,00,00,000	10,00,00,000
(b) Reserves and Surplus	2	4,81,81,159	4,25,97,223
(c) Money received against share warrants		-	-
Sub Total		14,81,81,159	14,25,97,223
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		-	-
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
Sub Total		-	-
<b>(4) CURRENT LIABILITIES</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	3	11,06,613	7,83,962
(c) Other current liabilities	4	16,89,151	1,33,611
(d) Short-term provisions		-	-
Sub Total		27,95,764	9,17,573
Total		15,09,76,923	14,35,14,796
<b>II. ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	5	5,97,121	7,04,448
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Sub Total		5,97,121	7,04,448
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	6	2,19,693	1,48,550
(d) Long term loans and advances	7	12,93,138	1,28,668
(e) Other non-current assets	8	9,11,096	4,13,288
Sub Total		24,23,927	6,90,506
<b>(2) CURRENT ASSETS</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	9	80,35,750	11,37,750
(d) Cash and Bank balances	10	13,98,70,683	13,71,74,914
(e) Short-term loans and advances		-	-
(f) Other current assets	11	49,442	38,07,178
Sub Total		14,79,55,875	14,21,19,842
Total		15,09,76,923	14,35,14,796

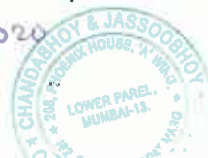
Accompanying notes are an integral part of the Financial Statements

For Chandabhoy & Jasoobhoy  
Chartered Accountants

For BOI MERCHANT BANKERS LIMITED



Ambesh Dave  
Partner (Membership No.:049289)  
Mumbai: 12/06/2020



S.M. Phadke  
Company Secretary

Vijay Parfekar  
Managing Director

M. D. Atrey  
Director

**BOI MERCHANT BANKERS LIMITED**  
**Statement of Profit & Loss For The Year Ended 31st March, 2020**

(Amount in Rs.)

Particulars	Note No	31st March, 2020	31st March, 2019
<b>CONTINUING OPERATIONS</b>			
<b><u>INCOME</u></b>			
Revenue from operations	12	₹ 86,00,000	1,21,10,000
Other income	13	₹ 89,97,436	87,68,468
<b>Total Revenue</b>		<b>1,75,97,436</b>	<b>2,08,78,468</b>
<b><u>EXPENDITURE</u></b>			
(a) Purchase of Stock-in-Trade		-	-
(b) Changes in inventories of Stock-in-Trade		-	-
(c) Employee benefit expense	14	66,86,395	66,90,469
(d) Finance Cost		-	-
(e) Depreciation	5	1,57,658	1,46,160
(f) Other Expenses	15	32,28,050	24,09,204
<b>Total Expenses</b>		<b>1,00,72,103</b>	<b>92,45,833</b>
Profit/ (loss) before exceptional and extraordinary items and tax		75,25,333	1,16,32,635
Exceptional Items		-	-
Profit / (Loss) before extraordinary items and tax		75,25,333	1,16,32,635
Extraordinary Items		-	-
Profit / (Loss) before tax		75,25,333	1,16,32,635
Less: Tax Expenses:			
(a) Current tax expense		19,56,586	32,20,737
(b) Excess/Short Provision for earlier years		55,953	15,479
(b) Deferred tax		71,143	(24,398)
Profit / (Loss) after tax		55,83,936	84,20,817
Prior Period Expense		-	50,000
Profit/(Loss) for the year		55,83,936	83,70,817
Earnings per share of Rs.10 each Basic & Diluted (in Rs.)		0.56	0.84
Accompanying notes are an integral part of the Financial Statements			

For Chandabhoy & Jasoobhoy  
Chartered Accountants

For BOI MERCHANT BANKERS LIMITED



Ambesh Dave  
Partner (Membership No.:049289)  
Mumbai: 12/06/2020



S.M. Phadke  
Company Secretary

Vijay Parlikar  
Managing Director

M. D. Atrey  
Director



**BOI MERCHANT BANKERS LIMITED**  
Statement of Cash Flows For The Year Ended 31st March, 2020

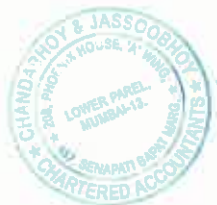
PARTICULARS	As on 31.3.2020		As on 31.3.2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax and Extraordinary Items		75,21,062		1,16,32,635
Adjusted for :				
Add: a. Depreciation	1,57,658		1,46,160	
Add: b. Provision for Doubtful Debts	1,62,000	3,19,658	-	1,46,160
Less: a. Interest received on loans, deposits	89,97,236		87,67,368	
b. Prior Period Expenses	-		50,000	
c. Profit on sale of investment	-		-	
d. Profit on sale of fixed assets	-	89,97,236	-	88,17,368
Operating profit before working capital changes		(11,56,516)		29,61,427
Adjusted for :				
Add: a. Increase in short term provisions	19,20,491		2,17,499	
b. Increase in Trade Payable and Other Current Liabilities	-		-	
c. Decrease in Trade and other receivables	-		-	
e. Decrease in other current asset	36,79,706	56,00,197	3,10,000	5,27,499
Less: a. Decrease in short-term provision				
b. Increase in Other Current Assets	4,97,807		16,48,606	
c. Increase in Trade & other receivables	70,20,000		3,24,000	
d. Decrease in trade payable & Other Current Liabilities		75,17,807		19,72,606
Cash generated from operations		(30,74,126)		15,16,320
Less : FBT/Taxes paid		31,77,009		33,08,565
<b>NET CASH GENERATED FROM OPERATION</b>		(62,51,135)		(17,92,245)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. Sales of fixed assets				
b. Sales of Investments				
c. Interest received on loans, deposits	89,97,236		87,67,368	
d. Dividend income				
e. Long Term Unquoted investment (Non-Trade)		89,97,236		87,67,368
Less: a. Purchase of fixed assets		50,331		-
Less: a. Increase in Long Term Investment		-		-
Net cash (used) in investing activities		89,46,905		87,67,368
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
a. Issue of Shares				-
b. Interest - others and financial charges				-
c. Repayment of Long term bank Borrowings (Net)				-
d. Decrease in Investment in Unquoted (Non-Trade) Shares				-
d. Decrease in Short Term Borrowings bank				-
e. Redemption of Preference shares				-
Less: Proceeds from long term borrowings (banks) (Net)				-
Proceeds from long term borrowings (others)				-
Increase in short term borrowings (banks)				-
Net cash generated/(used) in financing activities				-
<b>D. Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		26,95,770		69,75,123
Cash and cash equivalents at the beginning of the year		13,71,74,914		13,01,99,791
Cash and cash equivalents at the end of the year		13,98,70,683		13,71,74,914

As per our report of even date  
For M/s Chandabhoj & Jassoobhoj  
Chartered Accountants  
Firm Registration No. 101647W

Ambedh Dave

Partner (Membership No. F-49289)

Mumbai: 12/06/2020



For BOI MERCHANT BANKERS LIMITED

Sripal K

S.M. Phadke

Company Secretary

Vijay Parulkar  
Managing Director

M.D. Atrey  
Director



**Notes On Financial Statements For the Year Ended 31st March, 2020**

(Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
<b>Note No. 1:</b>		
<b>Share Capital</b>		
<b>Authorised Capital</b>		
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000
<b>Issued, Subscribed &amp; Fully Paid Up Capital</b>		
1,00,00,000 Equity Shares of Rs.10/- each fully Paidup	10,00,00,000	10,00,00,000
<b>Total</b>	10,00,00,000	10,00,00,000
<b>Reconciliation of Shares Outstanding</b>	<b>No.of Shares</b>	<b>No.of Shares</b>
No. of shares outstanding at the beginning	1,00,00,000	1,00,00,000
Add: Shares issued during the period	-	-
No. of shares outstanding at the end	1,00,00,000	1,00,00,000
<b>(b) Terms / Rights attached to equity shares</b>		
The Company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share		
<b>(c) Shares held by holding &amp; subsidiary of holding company</b>		
<b>Holding Company</b>		
99,99,994 Equity shares of Rs. 10 each by Bank of India Limited	9,99,99,940	9,99,99,940
	9,99,99,940	9,99,99,940
<b>Details of shareholders holding more than 5 percent shares</b>		
<b>Name of the shareholders</b>	<b>No.of Shares Held</b>	
Bank of India Limited (99.99%)	99,99,994	99,99,994
<b>Note No. 2 :</b>		
<b>Reserves &amp; Surplus</b>		
<b>Profit &amp; Loss A/c</b>		
As per Last Balance Sheet	4,25,97,223	3,42,26,406
Add: Net Profit for the Year	55,83,936	83,70,817
<b>Total</b>	4,81,81,159	4,25,97,223



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**BOI MERCHANT BANKERS LIMITED****Notes on Financial Statements For the Year Ended 31st March, 2020****(Amount in Rs.)**

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>Note No 3 :</b>		
<b>Trade Payables</b>		
Audit Fees payable	1,26,000	1,26,000
Website Service charges payable	-	64,800
Salary payable	7,025	-
Provision for Gratuity	7,31,702	4,89,445
Professional charges payable	12,960	3,780
Rent payable to Bank of India	60,000	-
Provision for leave encashment	1,68,926	99,937
<b>Total</b>	<b>11,06,613</b>	<b>7,83,962</b>

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>Note No. 4</b>		
<b>Other Current Liabilities</b>		
<b>Statutory Dues payable</b>		
TDS Payable	65,980	1,33,611
GST	9,75,057	-
Profession tax payable	800	-
Arrears payable to Bank of India	2,99,857	-
Advance received from Jairaj Ispat	3,47,457	-
<b>Total</b>	<b>16,89,151</b>	<b>1,33,611</b>



**BOI MERCHANT BANKERS LIMITED**

**Notes on Financial Statements For the Year Ended 31st March, 2020**

**Note No. 5**  
**Tangible Assets**  
**(Own Assets)**

(Amount in Rs.)

Sr.	Description	Gross Block			Depreciation			Net Block			
		As on 01.04.2019	Addition	Deduction	As on 31.03.2020	Upto 31.03.2019	Current Year	Deduction	Upto 31.03.2020	As on 31.03.2020	As on 31.03.2019
1	Printer	13,798	-	-	13,798	13,108	-	-	13,108	690	690
2	Motor Car	12,26,464	-	-	12,26,464	5,22,706	1,46,160	-	6,68,866	5,57,598	7,03,758
3	Laptop	-	39,831	-	39,831	-	10,112	-	10,112	29,719	-
4	Fridge	-	10,500	-	10,500	-	1,386	-	1,386	9,114	-
	<b>Total</b>	<b>12,40,262</b>	<b>50,331</b>	<b>-</b>	<b>12,90,593</b>	<b>5,35,814</b>	<b>1,57,658</b>	<b>-</b>	<b>6,93,472</b>	<b>5,97,121</b>	<b>7,04,448</b>



**BOI MERCHANT BANKERS LIMITED**

Notes on Financial Statements For the Year Ended 31st March, 2020

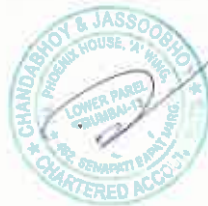
(Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
<b>Note No 6</b>		
<b>Deferred Tax Assets</b>		
<b>Deferred tax Asset consist of followings</b>		
Timing difference of Depreciation	(5,386)	(17,764)
Timing difference of Preliminary Expenses	1,38,490	2,347
Timing difference of Gratuity Provision	67,396	1,36,164
Timing difference of Leave Encasment Provision	19,193	27,803
<b>Total</b>	<b>2,19,693</b>	<b>1,48,550</b>
<b>Note No 7</b>		
<b>Long term loans and advances</b>		
<b>Income Tax Paid (Net of Provision)</b>	<b>12,93,138</b>	<b>1,28,668</b>
	<b>12,93,138</b>	<b>1,28,668</b>
<b>Note No 8</b>		
<b>Other Non Current Assets</b>		
Advance SEBI Registration Fee	8,21,096	3,23,288
Deposit with CDSL	45,000	45,000
Deposit with NSDL	45,000	45,000
<b>Total</b>	<b>9,11,096</b>	<b>4,13,288</b>
<b>Note No 9</b>		
<b>Trade receivables (Unsecured)</b>		
<b>Outstanding for more than 6months</b>		
Considered good	10,15,750	8,13,750
Considered Doubtful	8,95,750	7,33,750
	19,11,500	15,47,500
Less: Provision for Doubtful Debt	(8,95,750)	(7,33,750)
	10,15,750	8,13,750
Others (Considered Good)	70,20,000	3,24,000
<b>Total</b>	<b>80,35,750</b>	<b>11,37,750</b>
<b>Note No 10</b>		
<b>Cash and Bank Balance</b>		
Balance with Banks		
In Current Account	11,95,683	2,71,442
In Fixed Deposit	13,86,75,000	13,69,03,472
<b>Total</b>	<b>13,98,70,683</b>	<b>13,71,74,914</b>
<b>Note No 11</b>		
<b>Other Current Assets (Unsecured Consider good)</b>		
Advance paid to CDSL	13,275	13,275
GST Credit (Net of liability)	-	48,090
Advance to staff	-	100
Receivable from VN caterers	-	59
Accrued Interest on Fixed deposits	-	37,40,867
Unpaid cash balance	14,299	-
Prepaid Expenses	21,868	4,787
<b>Total</b>	<b>49,442</b>	<b>38,07,178</b>



**BOI MERCHANT BANKERS LIMITED****Notes on Financial Statements For the Year Ended 31st March, 2020****(Amount in Rs.)**

<b>Particulars</b>	<b>31st March,2020</b>	<b>31st March,2019</b>
<b>Note No. 12</b>		
<b><u>Revenue from Operations</u></b>		
Income from Merchant Banking activity	86,00,000	1,21,10,000
<b>Total</b>	<b>86,00,000</b>	<b>1,21,10,000</b>
<b>Note No. 13</b>		
<b><u>Other Income</u></b>		
(a) Interest income (Refer Note (i) below)	89,97,236	87,67,368
(b) Miscellenous Receipts	200	1,100
(c) Profit on Sale of Investments	-	-
<b>Total</b>	<b>89,97,436</b>	<b>87,68,468</b>
<b>Note (i)</b>		
Fixed Deposit Interest	89,97,236	87,67,368
Interest on IT refund	-	-
<b>Total Interest Income</b>	<b>89,97,236</b>	<b>87,67,368</b>
<b>Note No. 14</b>		
<b><u>Employee benefits expenses</u></b>		
Salaries and Wages	48,81,289	51,54,110
Reimbursement of Expenses	15,26,374	13,82,224
Gratuity provision	2,42,257	1,24,353
Staff Training	3,500	17,500
Staff welfare	32,975	12,282
<b>Total Employee benefits expenses</b>	<b>66,86,395</b>	<b>66,90,469</b>



**BOI MERCHANT BANKERS LIMITED**

**Notes on Financial Statements For the Year Ended 31st March, 2020**

**(Amount in Rs.)**

Particulars	31st March,2020	31st March,2019
<b>Note No. 15</b>		
<b>Other expenses</b>		
Advertising expenses	46859	-
Demat charges	1062	-
office expenses	2248	-
Auditors Remuneration	1,40,000	1,40,000
Bank charges	7,094	37
Membership Fees	1,20,600	1,07,500
Business Development expenses	2,70,588	97,137
Cess Expenses	51,300	896
Legal & Consultancy charges	2,75,000	3,80,400
Professional Charges	3,09,720	2,43,100
Postage & Courier	8,780	8,804
Profession Tax paid (PTEC)	2,500	2,500
Printing & stationery	60,149	37,531
Sitting fees to directors	6,45,000	3,40,000
ROC filing fees	11,200	9,500
Travelling expenses	3,74,995	3,61,747
Sundry Expenses	55,148	85,630
Insurance	18,418	13,875
Website charges	1,14,568	1,07,023
Interest on tax paid	2,416	-
SEBI Registration Fee	4,02,192	4,00,000
Repair & Maintenance	1,40,869	65,780
Provision for Doubtful Debts	1,62,000	-
Newspapers & Periodicals	5,344	7,744
	<b>32,28,050</b>	<b>24,09,204</b>
<b>Note (i)</b>		
Payments to the auditors Comprises (net of service tax input credit)		
As auditors- Statutory Audit	90,000	90,000
Tax Audit Fees	50,000	50,000
<b>Total</b>	<b>1,40,000</b>	<b>1,40,000</b>



**Note: Grouping of Sundry Debtors**

<b>Name of the debtor</b>	<b>Amount</b>
Anil Ltd	6,50,000
HDO Technologies	1,72,500
Hindustan Dorr Oliver Ltd	7,25,000
Pawar Electro Systems Pvt Ltd	3,64,000
	19,11,500
Less: Considered doubtful	8,95,750
	10,15,750
<b>Other Debtors(considered Good)</b>	
Shree Refrigerations Pvt Ltd	70,20,000





**Significant accounting policies of Financial Statements  
for the year ended 31<sup>st</sup> March 2020**

BOI Merchant Bankers Limited ("the Company") was incorporated on 31<sup>st</sup> October 2014 in accordance with the provisions of the Companies Act, 2013 ('the Act'). The Company is a wholly owned subsidiary of Bank of India. The Company is engaged in providing Merchant banking services in all its aspects, acting as agents of and/or dealers in the securities, acting as financial consultant, advisors and counsellors in investment and capital market and providing allied services.

The significant accounting policies for the year ended 31.03.2020 are as follows -

**a) Accounting Convention**

The financial statements shall be prepared to comply in all material respects with the standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The financial statements shall be prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment shall be made and revaluation shall be carried out in accordance with Generally Accepted Accounting Principles (GAAP) in India. The accounting policies shall be consistently applied by the Company and except for the changes in accounting policy to be disclosed more fully in the annual report.

**b) Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results may differ from those estimates. Any revision to accounting estimates shall be recognised in accordance with the requirements of the respective accounting standard.

All the assets and liabilities shall be classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company shall ascertain its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

**c) Fixed assets and Depreciation**

**c.1) Tangible Assets**

Fixed Assets shall be valued at original cost less accumulated depreciation and Impairment losses (if any).

**c.2) Depreciation**

Depreciation shall be provided on Straight Line Method (SLM) on a pro-rata basis in case of tangible assets at the rates calculated based on useful life of various assets specified in Schedule II to the Companies Act, 2013. The depreciation on the



addition of the asset shall be provided from the date of such addition and for disposals up to the date of such disposals. Assets having individual value of less than Rs.5,000/- in the year of acquisition and assets retired from active use shall be fully depreciated as per the requirement of schedule II of the Companies Act 2013.

**c.3) Intangible Assets**

Intangible assets shall be measured at cost of acquisition/development and shall be amortised over their estimated economic life on a straight-line method except in the following case -

- Computer Software - 1 year.
- SEBI Licence for Merchant Banking - to be amortized over the tenure of the License

**d) Impairment of Assets:**

d.1) The carrying amount of assets, shall be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of the assets shall be estimated.

d.2) An Impairment loss shall be recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount shall be the greater of the asset's net selling price and value in the use, which is determined, based on the estimated future cash flows discounted to their present values. All impairment losses shall be recognized in the profit and loss account.

d.3) An impairment loss shall be reversed if there is a change in the estimates used to determine the recoverable amount and shall be recognized in the profit and loss account.

**e) Operating Leases:**

Leases, where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased term are classified as operating leases. Operating lease payments shall be recognized as an expense in the Profit and Loss account under 'Rent, Rates and Taxes' on a Straight Line Basis over the lease term.

**f) Investments and Securities held as stock-in-trade**

f.1) Investments if any shall be classified into non-current and current investment. Securities and other financial assets acquired and held for earning income by way of dividend and interest and for the purpose of capital appreciation shall be classified as non-current investments and shall be valued at their cost of acquisition. Decline in their value shall be recognized if considered other than temporary.

All investments which are readily realizable and intended to be held for not more than one year from the date of acquisition shall be classified as Current Investments. Current investments shall be carried at lower of cost or market value. Securities acquired in the market making process as market maker shall be classified as Current Investments irrespective of the period of holding.



- f.2) Securities, acquired with the intention of short-term holding and trading shall be considered as stock-in-trade and shall be regarded as current assets. Securities held as stock-in-trade category wise shall be valued at lower of cost or market/fair value.

Cost shall be derived by following the weighted average method considering only outright transactions. Market value shall be determined based on market quotes for actual trades and where such quotes are not available, fair value shall be determined - in the case of debt securities, with reference to yields on securities of similar maturity and credit standing, and in the case of equities, with reference to the break-up value as per the last available balance sheet. Each security shall be valued individually. The depreciation, if any, for each security shall be provided and the appreciation, if any, shall be ignored.

- f.3) Premium paid, if any on government securities held as investment shall be amortized over the tenor of the instrument.

#### **g) Revenue Recognition**

- g.1) Total consideration paid or received on purchase or sale, on outright basis, of coupon-bearing debt securities shall be identified separately as principal consideration and accrued interest. Amount paid as accrued interest on purchase, and received on sale, of such securities shall be netted and reckoned as expense or income by way of interest.
- g.2) Interest on fixed coupon debt securities, held as on the Balance Sheet date, shall be accrued for the broken period at the coupon rate. Interest on floating rate securities shall be accrued at rates determined as per the terms of the issue.
- g.3) Profit on Sale of Investments shall be recognized on the settlement date. It represents the excess of Sale/Redemption proceeds over the acquisition cost. Cost shall be determined on a weighted average basis. Profit on sale of Investments shall be netted with loss on sale of Investments.
- g.4) Devolvement of equity shares in respect of issues underwritten if any by the company shall be treated as investments. Underwriting income on these issues shall be credited to profit and loss account and shall not be netted against the value of investments.
- g.5) Brokerage and commission earned on secondary market operations shall be recognized on the basis of trade dates. Brokerage on online portal operations shall be recognized on the basis of trade dates. Brokerage and commission in respect of issue marketing and resource mobilization shall be accrued to the extent of availability of information. Depository, Portfolio Management, Investment Banking and other fees shall be accounted for on accrual basis. Dividend shall be recognised when the company's right to receive payment shall be established by the balance sheet date. Revenue shall exclude Service Tax, wherever recovered.
- g.6) Revenue from services is recognised on proportionate completion method by relating revenue with work accomplish and certainty of consideration receivable.



**h) Transactions in Futures and Options** (Presently the Company does not want to enter into such transactions. However, the policy will be as under):

- h.1) Initial Margin payable at the time of entering into futures contract / sale of options shall be adjusted against the deposits with the exchanges in the form of fixed deposits, cash deposits and securities.**
- h.2) Transactions in Future contracts shall be accounted as Purchase and Sales at the notional trade value of the contract. The open interest in futures as at the Balance Sheet date shall be netted by its notional value.**
- h.3) In case of Future Contracts, the difference in the settlement price or exchange closing price of the previous day and exchange closing price of the subsequent day, paid to or received from the exchange shall be treated as Mark-to-Market Margin. The balance in the Mark-to-Market Margin Account shall represent the net amount paid or received on the basis of movement in the prices of open interest in futures contracts till the balance sheet date. Net debit balance in the Mark-to-Market Margin Account shall be charged off to revenue whereas net credit balance shall be shown under current liabilities.**
- h.4) In case of Option Contracts, premium to be paid or to be received on purchase and sale of options and the difference paid or received on exercise of options shall be accounted as Purchases or Sales. In case of open interest in options sold if any as on the balance sheet date, provision shall be made for the amount by which premium prevailing on the Balance Sheet date shall exceed the premium to be received for those options. The excess of premium to be received over the premium prevailing on the Balance Sheet date shall not be recognised.**

Similarly, in case of options bought, provision shall be made for the amount by which the premium to be paid for the option shall exceed the premium prevailing on the Balance Sheet date and the excess of premium prevailing on the Balance Sheet date over the premium paid shall be ignored. In case of multiple open positions, provisions shall be made as under:

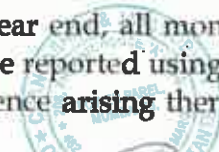
Sum of premium paid for all buy contracts + sum of all excess premium in sell positions

**h.5) Interest Rate Swaps:**

Assets and Liabilities in respect of notional principal amount of Interest Rate Swaps of the discontinued operations pertaining to Primary Dealership operations shall be netted. Gain or loss on Interest Rate Swaps shall be accounted for on due dates as per the terms of the contract.

**i) Foreign Currency Transactions**

Foreign currency transactions shall be recorded in the books at the rates of exchange prevailing on the date of the transaction. At the financial year end, all monetary items denominated in foreign currency assets and liabilities shall be reported using the closing rate of exchange as on Balance Sheet date. Exchange difference arising thereon and on



realization/payments of foreign exchange shall be accounted as income or expenses in the relevant financial year.

**j) Turnover**

Purchases and sales of dated government securities, treasury bills and other securities shall be disclosed in the Profit and Loss Account, with a view to indicating the turnover of funds of the company and shall include only outright transactions. For this purpose, sales shall also include redemption proceeds, if any, when these securities are held by the company till the date of maturity.

**k) Prior period adjustments:**

Earlier year items, adjustment / claims, arisen/ settled/ noted during the year, if material in nature, shall be debited/credited to prior period expenses/ income or respective heads of account, if not material in nature.

**l) Employee benefits**

1.1) Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment shall be recorded in accordance with Accounting Standard - 15 (Revised 2005) "Employee Benefits" issued by the "Institute of Chartered Accountants of India (ICAI)".

1.2) The Company's contribution on account of retirement benefits in the form of Provident Fund and Superannuation Fund shall be charged to revenue. The gratuity and leave encashment liability of the company shall either be managed by the company or be covered under the scheme with Life Insurance Corporation of India and the yearly contribution shall be paid to LIC.

1.3) Provident Fund is a defined contribution scheme and the contributions shall be charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

1.4) The Company proposes to appoint the employees on contractual basis. If Gratuity act is applicable, it shall contribute to an approved Group Gratuity Policy with the LIC of India. Gratuity liability shall be defined benefit obligations and shall be provided for on the basis of an actuarial valuation as per AS 15 (Revised) made at the end of each financial year based on the projected unit credit method.

1.5) The Company shall contribute to the Group Leave Encashment Policy with the LIC of India. Short term compensated absences shall be provided for based on estimates.

1.6) Actuarial gains/losses shall be immediately taken to the profit and loss account and shall not be deferred.

**1.7) Defined Contribution Schemes**

**a) Provident Fund**

The Company at present is not required to be registered under the provisions of Employee's Provident Funds and Miscellaneous Provisions Act, 1952 and schemes framed there under. Accordingly, the Company shall be waived to contribute to the funds/ schemes established under the Act to Government Authorities. Such



contribution due for the year, whenever shall become applicable, shall be charged to profit and loss account.

**b) For Employees on Deputation**

Based on the terms of deputation for the employees on deputation from BOI, provident fund will be deducted by Bank of India and they will maintain the records for that.

**m) Earnings Per Share**

The Company shall report basic and diluted Earnings per share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS shall be computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS shall be computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**n) Cash Flow Statement**

The Cash Flow Statement shall be prepared by the "Indirect Method" set out in Accounting Standard on Cash Flow Statements (AS-3). The cash flows from regular revenue generating/operating, investing and financing activities of the Company shall be segregated Cash and Cash equivalents to be presented in the Cash Flow Statement shall consist of cash on hand and demand deposits with banks.

**o) Taxation**

**o.1) Current tax shall be measured at the amount expected to be paid/ recovered from the tax authorities, in accordance with the Income Tax Act. Current year's tax shall be determined based on current tax laws and the amount of tax payable in respect of taxable income of the current year shall be provided in profit & loss account.**

**o.2) The tax effect of the timing differences that result between taxable income and accounting income that originate in one period and shall be capable of reversal in one or more subsequent periods shall be recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities shall be recognized for future tax consequences attributable to timing differences. They, shall be measured using the enacted or substantively enacted tax rates and tax regulations as at the balance sheet date.**

**o.3) Deferred tax assets shall be recognised and carried forward only to the extent there is reasonable certainty that sufficient taxable income will be available in future, against which the deferred tax assets can be realized; however where there shall be unabsorbed depreciation and carried forward losses, deferred tax assets shall be created in the books of accounts only if there shall be virtual certainty supported by convincing evidence of realization of assets.**

**o.4) The carrying amount of deferred tax assets at each balance sheet date shall be reduced to the extent that it shall no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.**

**o.5) Tax credit shall be recognized in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income tax Act, 1961 based on convincing**



evidence that the Company will pay normal income tax within the statutory time frame and shall be reviewed at each balance sheet date.

**p) Provisions Contingent Liabilities and Contingent Assets**

p.1) A provision shall be recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. These shall be reviewed at each balance sheet date and shall be adjusted to reflect the current best estimates as on the applicable Balance Sheet Date.

p.2) A disclosure for a contingent liability shall be made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Liabilities shall not be recognized. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources shall be remote, no provision or disclosure of Contingent liability shall be made.

p.3) Contingent Assets shall be neither recognized nor disclosed in the financial statements.

p.4) Bad and doubtful assets shall be identified after carrying out a cases by case review of all outstanding debts. Provisions shall be made on doubtful debts on management's evaluation of their reliability.

q) The Operating Cycle of the Company shall be 12 months.



**Notes forming part of Financial Statements  
for the year ended 31<sup>st</sup> March, 2020**

**Note No.18:**

<b>Earning Per Share:</b>	<b>For the year ended 31<sup>st</sup> March, 2020</b>	<b>For the period ended 31<sup>st</sup> March, 2019</b>
Net Profit after tax	Rs. 55,83,936	Rs. 83,70,817
Weighted Avg No. of Equity Shares	10,000,000	10,000,000
Nominal Value (in Rs.)	10	10
Basic & Diluted Earnings Per Share	0.56	0.84

**Note No.19. Related party disclosures**

**Names of related parties and related party relationship**

Holding company	Bank of India
Subsidiaries of Holding Company	Bank of India (Uganda) Ltd. Bank of India (Tanzania) Ltd. Bank of India (New Zealand) Ltd. PT Bank of India Indonesia TBK Bank of India (Botswana) Ltd. BOI Shareholding Ltd BOI Axa Investment Managers Pvt Ltd. BOI Axa Trustee Services Pvt. Ltd.
Associates of Holding Company	ASREC (India) Ltd. STCI Finance Ltd. Gramin Bank of Aryavart Narmada Jhabua Gramin Bank Jharkhand Gramin Bank Vidharbh Konkan Gramin Bank Indo-Zambia Bank Ltd.
Joint Venture of Holding Company	Star Union Dai-Ichi Life Insurance Co. Ltd.
Key Management Personnel of Holding Company	<ul style="list-style-type: none"> <li>• Atanu Kumar Das (MD&amp;CEO)</li> <li>• Dinbandhu Mohapatra(EX-MD&amp;CEO)</li> <li>• Chaitanya Gayatri Chintapalli (ED).</li> <li>• P.R.Raja Gopal (ED)</li> </ul>
Key Management Personnel	Mr Vijay Parlikar (MD), <ul style="list-style-type: none"> <li>• Mr Pramod Kumar Bathal ( Ex MD)</li> <li>• Mr. Sanjay .M.Phadke(Company Secretary)</li> </ul>





**Related party transactions**

The following table provides the total amount of transactions that have been entered with related parties for the relevant period:

(Amount in Rs)

Particulars (Transactions)	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Reimbursement of Salaries of Deputed persons</b>		
Bank of India (Already included in 'Remuneration to Key Managerial personnel')	19,51,036	10,44,682
<b>Rent paid</b>		
Bank of India	7,43,595	6,75,000
<b>Amount paid to Bank of India (Professional Charges)</b>	-	-
<b>Fixed Deposits with Bank of India</b>		
Deposits Created (including Renewals)	13,44,76,938	10,59,03,473
Deposits Matured	13,64,46,277	7,83,10,000
Closing Balance of Fixed Deposits	13,86,75,000	13,69,03,472
Interest on Fixed Deposits with Bank of India	89,97,236	87,67,368
Accrued Interest On Fixed deposit	--	37,40,867
<b>Remuneration to Key Management Personnel (including reimbursement of salaries of deputed persons to Bank of India)</b>		
Pramod Kumar Bathal	1,40,783	17,59,302
Vijay Parlikar	14,18,375	--
Sanjay Phadke	15,38,293	16,86,824
<b>Reimbursement to Key Management Personnel</b>		
Sanjay Phadke (Reimbursement is already included in the reimbursement of expenses to BOI)	1,71,613	2,07,729
Sanjay Phadke ( Reimbursement of Examination Fees)	6,500	5,000
Pramod Kumar Bathal	20,630	4,15,682
Vijay Parlikar	3,22,227	--
<b>Sitting Fees To Directors</b>		
Mr. D.Sarkar	3,45,000	50,000
Dr. Bishnoi	3,00,000	1,60,000
Mr. R.Venkataramani	--	60,000
Mr. S.Ravi	--	70,000

**Note No.20. Capital commitments**

There is no capital commitment as at 31<sup>st</sup> March 2020.

**Note No.21. Contingent Liabilities**

There is no contingent liability as at 31<sup>st</sup> March 2020

**Note No.22. Provision for Doubtful Debts**

In case of trade debtors, their other creditors have referred their cases to NCLT during earlier year. The company has also registered its claims as operating creditors. After



considering probable recovery, the provision of Rs.1,62,000/- is made for doubtful debt during the year.

**Note No.23. Employee Benefits**

- A) **Long Term Benefits:** Provision is made for Gratuity amounting to Rs.2,42,257/- in respect of 4 employees of the company.
- B) **Short Term Benefits:** There are only four employees in the company. Out of which two employees are eligible for leave encashment as at 31<sup>st</sup> March, 2020 for which provision is made amounting to Rs. 68,989/- during the current year.

**Note No.24.** The company has paid fee to SEBI for registration as Merchant Banker of Rs.9,00,000 for the period of 3 years starting from January 2020 . The proportionate amount attributable to the period from 01/04/2019 to 31/03/2020 amounting to Rs.79,004/- is charged to expense account and balance amount of Rs.8,21,096/- has been carried forward to be charged to expenses in the remaining period proportionally.

**Note No.25. Miscellaneous**

The figures of previous year have been regrouped / reclassified wherever necessary to make them comparable with the current year classification.

**26.Note on Covid 19 :** "The Management have, at the time of approving the financial statements, assessed the potential impact of the COVID-19 global pandemic on the entity. The corona virus outbreak is a new emerging risk to the global economy. Business continuity plans have been invoked to help ensure the safety and well-being of staff thereby retaining the ability to maintain business operations following lockdowns in India. These actions help to ensure business resilience. The situation is changing so rapidly that the full impact cannot yet be understood, but the Entity's will continue to monitor the situation closely. The Management have consider that the Company have adequate financial resources to continue in operational existence for the foreseeable future and therefore, continue to adopt the going concern basis of accounting in preparing the financial statements."

For and on behalf of  
**Chandabhoy & Jassoobhoy**  
**Chartered Accountants**  
**Firm Registration No. 101647W**

*Ambesh Dave*  
**Ambesh Dave**  
**Partner**  
**(Membership No. F-49289)**

**For BOI Merchant Bankers Limited**

*S.M. Phadke*  
**S.M. Phadke**  
**Company**  
**Secretary**

*Vijay Parlikar*  
**Vijay Parlikar**  
**Managing**  
**Director**

*M.D. Atrey*  
**M.D. Atrey**  
**Director**

Mumbai: 12/06/2020

Mumbai:



**Statement of Adjustment 31.03.2020**  
(In respect of Non-uniform accounting policies)

Amount in Rs.

		Particulars	Amount	Amount
1		Net Profit/(Loss) as per Profit and Loss account for the year ended 31.03.2020		55,83,936
2	Less	Additional depreciation on SLR/Non SLR investment/approved security		
	Less	Additional depreciation if any in Fixed Assets		
	Less	Additional provision for NPA		
	Less	Additional provision for employee benefit Gratuity Leave encashment Other benefits, if any		
	Less	Additional provision for interest on overdue Term Deposit		
	Less	Additional provision for Inter Branch unreconciled debit entries above 6 m		
	Less	Bonus payable to staff, if any during the year		
	Less	Any other items for which adjustment is/are needed on account of non-uniform account policies		
		Depreciation on Tangible Assets (ii)-(i)		- 58
		Amortisation of intangible assets (ii)-(i)		4,97,808
		Total (Net Profit/Loss (1+2) adjusted)		50,86,186

**Notes**

**1. Depreciation on Fixed Assets**

a. There is a difference in account policy with respect of depreciation of fixed assets. The effect of the difference in accounting policy is shown below.

**Depreciation for the year as per BOIMB policy**

Depreciation on tangible assets 1,57,658

Authorisation of intangible assets 4,02,192

(i) 5,59,850

**Depreciation for the year as per BOI Policy**

Depreciation on tangible assets 1,57,600

Authorisation of intangible assets 9,00,000

(ii) 10,57,600

b. The difference in opening WDV of the assets on account of different depreciation policy is adjusted in current year's Profit (Point No. 3) as above. The opening WDV of fixed assets as on 1<sup>st</sup> April, 2019 is summarised below:

**Opening WDV as per BOIMB policy**

Tangible Assets 7,04,448

Intangible Assets 3,23,288

**Opening WDV as per BOI policy**

Tangible Assets 7,04,059

Intangible Assets 0



Vijay M Parlikar  
Managing Director

Date: 12.06.2020

Place: Mumbai



**BOIMB**

	Dep rate	Purchase	Date	Depreciation		Net Value	
				31/03/2019	31/03/2020	31/03/2019	31/03/2020
Printer@	31.670%	7298	24/12/2014	0	0	365	365
	31.670%	6500	14/02/2015	0	0	325	325
Motor car@	11.875%	1226464	02/09/2015	146160	146160	703758	557598
Laptop	31.670%	39831	29/05/2019		10112	0	29719
Fridge	19.000%	10500	08/07/2019		1386	0	9114
@ As per balance sheet.				146160	157658	704448	597121
<b>BOI</b>							
	Dep rate	Purchase	Date	31/03/2019	31/03/2020	31/03/2019	31/03/2020
Printer	33.330%	7298	24/12/2014	0	0	0	0
	33.330%	6500	14/02/2015	0	0	0	0
Motor car	11.880%	1226464	02/09/2015	145703	145704	704059	558355
Laptop	33.330%	39831	29/05/2019		11166	0	28665
Fridge	9.500%	10500	08/07/2019		730	0	9770
				145703	157600	704059	596790

