

# ORBIS



ANNUAL REPORT 2019-2020



Orbis comes forward with a specialised unmatched bouquet of investor services.

Apart from technology, in this era of super specialisation, human resources have become the key ingredient playing an integrated role of machinery, raw materials and the driving fuel.

Recognising this critical “people” role, Orbis has focused on its team of domain specialists comprising management graduates, chartered accountants, company secretaries, information technologists each with a skewed specialization around capital market transaction processing.

We are proud of our team of specialists who have been much appreciated by our clients.

# TABLE OF CONTENTS

- 04** Board of Directors
- 06** Founder’s Message
- 07** Financial Highlights
- 09** Director’s Report
- 24** Annexures to the Director’s Report
- 48** Independent Auditor’s Report
- 60** Balance Sheet
- 61** Statement of Profit & Loss
- 62** Cash Flow Statement
- 63** Notes to Financial Statement
- 82** Our Team

# BOARD OF DIRECTORS



**Atul Gupta**  
Executive Chairman



**Shyamsunder Agarwal**  
Managing Director & CEO



**Manasi Gupta**  
Director



**Michael Johann Eduard Jaeggi**  
Non-Executive Director



**Pranay Kothari**  
Independent Director



**R. C. Jain**  
Director



**Shachindra Nath**  
Independent Director



**S.A.R. Acharya**  
Director

# COMPANY INFORMATION

Company Secretary

Ms. Rini Jangid

Statutory Auditors

MSKA & Associates,  
Chartered Accountants  
(FRN: 105047W)

Secretarial Auditors

Pankaj Nigam &  
Associates,  
Company Secretaries  
(C.P. No. 7979)

Internal Auditors

Ravi Rajan & Co. LLP,  
Chartered Accountants  
(FRN: 009073N/N500320)

Bankers

ICICI Bank Ltd

Kotak Bank Ltd

Axis Bank Ltd

RBL Bank Ltd

IndusInd Bank Ltd

SBM Bank (India) Ltd

Registered Office & Operations Centre

4A, Ocus Technopolis, Sector 54, Golf Club Road Gurgaon

Haryana – 122002, India

CIN: U67120HR2005PLC036952

Corporate Office

205, Vaibhav Chambers, 2nd Floor, 1, Bandra-Kurla Complex

Bandra (East), Mumbai – 400051, India

Website

[www.orbisfinancial.in](http://www.orbisfinancial.in)

# FOUNDER'S MESSAGE

Orbis was conceived as a one-stop shop financial services provider to extend the highest level of reliable, safe & secure services to financial investors and participants. Consciously positioned as a non-broker and a non-fund manager, Orbis is here to stay as a dedicated Custodian rendering services to literally all participants in the Indian financial market on its Zero-Conflict business model never ever cannibalising the clients clientele.

**Our services comprising Custody & DDP, Clearing & Settlement (Equity, Debt and Derivatives), Fund Accounting, Trustee and RTA Services have been extremely well received.**

The regulators, SEBI and RBI, have been most supportive at every step with their forward looking approach, securing interests of the investing community. The most recent structural reform was introduction of Cash Clearing for retail investors. Another far reaching reform, though in the pipeline, is classifying the NRI's / OCI's under the FPI category as against the existing cumbersome PIS guidelines that have been there since early nineties.

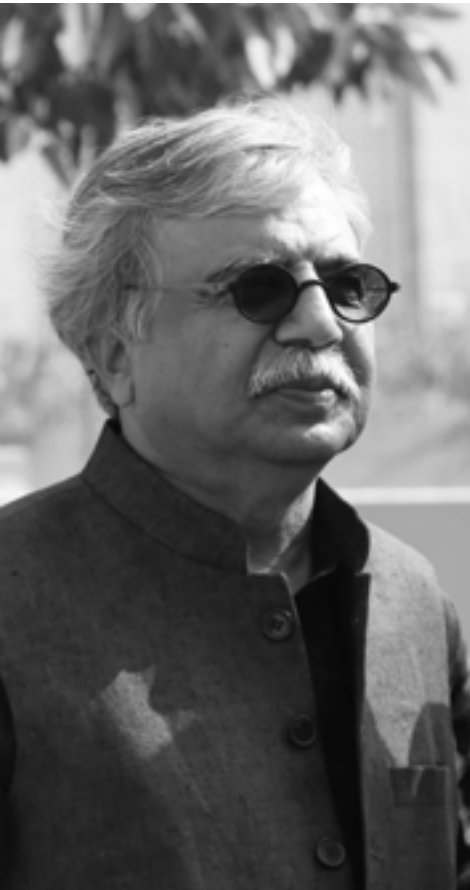
Guidelines for the first set of differentiated banks were issued by RBI in 2014 under which licences were issued to Small Finance Banks & Payment Banks. Introduction of Custodian Banking is much awaited, the next logical step in the direction of ongoing banking & securities market reforms.

Being the first and only service provider of its kind in India, we are proud to state our clientele now includes Foreign Portfolio Investors, Mutual Funds, Portfolio Managers, Alternate Investment Funds, Private Banks, Endowment Funds, Stockbrokers and Resident & Non-Resident Investors.

I take this opportunity to convey my sincere thanks to my shareholders who patiently stood by me extending their constant encouragement and support. I also thank my colleagues of Team Orbis, past and present, for reposing their trust and confidence in the management.

Warm Regards

**ATUL GUPTA**  
*Founder & Executive Chairman*



# FINANCIAL HIGHLIGHTS

## 2019-2020

**Total Income** ₹438.66  
Million

**Profit After Tax** ₹115.02  
Million

**Cash & Equivalent** ₹4489.50  
(Deployed towards working capital)  
Million

**Head Count** 75

# FINANCIAL HIGHLIGHTS

## 2019-2020



	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>
Total Income	438.66	224.49	176.12	87.39	103.18
Staff Cost	105.78	80.28	68.16	49.42	50.87
Other Costs & Overheads	169.45	53.79	34.63	31.80	33.06
Profit before Tax	163.42	90.43	73.33	6.17	19.25
Income Tax	48.40	18.26	-	-	-
Profit after Tax	115.02	72.17	73.33	6.17	19.25
Dividend	16.43	-	-	-	-
Networth (at Close)	791.13	675.29	603.13	529.80	523.64
Return on Networth	17.03%	11.97%	13.84%	1.17%	3.67%
Cash & Equivalent (deployed towards working capital)	4489.50	2937.27	1927.09	526.38	522.86
Head Count (at Close)	75	59	47	43	43

# DIRECTOR'S REPORT

# DIRECTOR'S REPORT

## Dear Members

The Directors of your Company take pleasure in presenting the Fourteenth Annual Report of the Company together with the Audited Financial Statements and Auditor's Report thereon for the financial year ended March 31, 2020.

## 1. FINANCIAL REVIEW

*Rs. in Millions*

Particulars	Financial Year 2020	Financial Year 2019
<b>Total Income</b>	<b>438.66</b>	<b>224.49</b>
<b>Expenses</b>		
Staff Expenses	105.78	80.28
Finance Cost	64.01	12.90
Depreciation & amortisation	6.83	5.69
Other Expenses	98.63	35.20
<b>Total Expenses</b>	<b>275.25</b>	<b>134.07</b>
<b>Profit before Tax</b>	<b>163.41</b>	<b>90.42</b>
Tax Expenses	48.40	18.26
<b>Profit after Tax</b>	<b>115.01</b>	<b>72.16</b>
<b>Dividend (as Interim Dividend during the year)</b>	<b>16.43</b>	<b>-</b>

The total Income has grown in FY20 to Rs 438.66 million from Rs 224.49 million in FY19 representing a growth of 95%. Profit before tax has grown to Rs.163.41 million in FY20 as against Rs.90.42 million in FY19. The corresponding Profit after Tax has been Rs.115.01 million versus Rs.72.16 million in FY19. The income tax has been provisioned at the higher rate availing the brought forward MAT credits in line with the statute.

## Dividend

After wiping out the accumulated brought forward losses, the Company declared its maiden dividend through a nominal Interim Dividend of 3% (inclusive of dividend distribution tax) of Rs 3.43 million. In view of the uncertain times in the midst of the pandemic and the need to conserve the working capital of the company to support growth in business, the Board is not recommending any final dividend.

### **Transfer To Reserves**

After payment of interim dividend, the balance of profit after tax for the year and some adjustments, the Surplus of Rs 99.11 million is carried forward in the Statement of Profit & Loss.

### **Deposits**

Your Company has not invited or accepted any Deposits from the public/members pursuant to the provisions of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## **2. BUSINESS REVIEW - INITIATIVES GOING FORWARD**

During the year, the Company had taken steps towards rationalisation of its corporate structure given the simplified regulatory framework and its business initiatives.

### **New Initiatives**

In the year under review, we had commenced services as a Trustee company and Registrar & Transfer Agency Services provider in addition to the bouquet of earlier services comprising Custody & DDP, Clearing & Settlement (Equity, Debt and all Derivative segments) and Fund Accounting. These new segments of services have been extremely well received and you shall see them contributing to the Company's Income in subsequent years.

During the year, we received SEBI approval as a Custodian for Commodities becoming the first Custodian in India offering the complete bouquet of permissible commodities.

SEBI has taken some very far-reaching forward-looking steps, securing the interests of the investing community with the introduction of Cash clearing for retail investors through Custodians. Your company is looking forward to being a key participant in the Cash Clearing segment as greater clarity emerges.

The Ministry of Corporate Affairs has made it mandatory for specified unlisted public companies to provide demat platform to their shareholders opening an exciting opportunity for your Company in these related financial services.

Being the first and only integrated service provider of its kind in India, we are proud to state our clientele now includes Foreign Portfolio Investors, Mutual Funds, Portfolio Managers, Alternate Investment Funds, Endowment Funds, Stockbrokers and Resident & Non – Resident Investors.

### **Covid – 19 Pandemic**

The World Health Organization had announced a global health emergency because of a new strain of coronavirus and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a lockdown across the country to contain the spread of the virus. This pandemic did create a complete economic and social disruption adversely impacting trade & commerce resulting in general slowdown.

Your management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at the year ended March 31, 2020. Based on that assessment and the developments in subsequent months, the management concludes there is no impact that adversely impacts the business and operations of your company.

Our Business Continuity Plans have come handy in these adverse conditions with all staff members working effectively and efficiently from their respective homes without hampering the day to day business.

### **Business & Operations - FY21**

You would be glad to note your company has retained its momentum of growth into the new financial year. In the just concluded Q1 of FY21, the total income has improved to Rs 14.20 million with Profit before Tax of Rs 5.20 million and Profit after Tax of Rs 3.70 million. With the flow of business and enquiries, we are confident of maintaining the momentum through the year.

### **Mobilising fresh Capital into the Business**

Your Management is exploring to raise fresh capital to support the enhanced working capital requirements of its business. Dialogues are at an advanced stage with multiple investors. We shall come back to you for your specific approval for the fund raising with all the necessary details.

## **3. MATERIAL CHANGES AND COMMITMENTS – SCHEME OF MERGER AND CORPORATE RESTRUCTURING**

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

In September 2019, Orbis Securities Private Limited, an associate of your Company was placed into voluntary liquidation under the “Fast Track Exit mode”. Necessary application was filed with Registrar of Companies under section 248 of the Companies Act, 2013 for “strike off” of the Company from Registrar of Companies. The application had been processed by the authorities and a public notice was published in the official gazette in December 2019 to the effect that the name of the Company will be struck off within one month by the Register of Companies if no objection is received. Due to the pandemic, there have been some delays, but no objections were received.

During the year, your Board of Directors and the Board of its erstwhile holding company had taken a decision to rationalise its corporate structure in the background of the prevalent regulations and the business needs of the Company. The approved Scheme envisaged, that with effect from April 01, 2019 (the Appointed Date), on a going concern basis, the business of the holding company (Transferor Company) together with all assets, rights, intellectual property rights and licenses, certificates of registration, liabilities and employees, shall stand transferred to your Company (Transferee Company).

The scheme of arrangement (“the scheme”) pursuant to Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromise, Arrangements & Amalgamations) Rules 2016, under the “fast track route”, was approved by Regional Director (Northern region), New Delhi vide Order dated April 27, 2020. Further, the filing of order with Registrar of Companies was completed on July 14, 2020 (the ‘Effective Date’) by the Transferee Company and Transferor Company. Hence, these financial statements presented before you are after giving effect to the merger of Orbis Capital Limited, the erstwhile holding company, into your Company.

The Scheme of Merger, as already approved, envisaged, your Company issuing and allotting its shares to equity shareholders of the Transferor Company (the erstwhile holding company) such that the entire issued Equity shares of the Transferee Company, currently held by the holding company, will be re-issued and allotted to the equity shareholders of the Transferor Company in proportion of their

respective equity shareholding in the Transferor Company without any additional issuance of capital or modification of any shareholding.

This Scheme has now become effective and Orbis Capital Limited stands dissolved without being wound up.

In terms of the approved Scheme, the Transferee Company agreed to adopt the existing ESOP Plan 2018 of the Transferor Company; such that all employees to whom stock options have been granted by the Transferor or Transferee Company, as the case maybe, continue to be eligible to hold stock options and exercise the stock options as per the terms of the grant letter under the ESOP Plan 2018.

Further, in the interest of better governance, Orbis Financial Corporation Ltd has incorporated a new entity under the name 'Orbis Trusteeship Services Pvt. Ltd' as its wholly owned subsidiary. The Trustee business that was earlier undertaken by the erstwhile holding company, is now the core business of this newly incorporated subsidiary. The business licence has been issued by SEBI and this new company has been capitalised with Rs 100.00 million after its incorporation on May 20, 2020. The trustee business that was conducted under Orbis Capital Ltd, post the merger with your company, was transferred to your company on a going concern basis that is now being conducted by Orbis Trusteeship Services Pvt Ltd.

#### **4. DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES**

As on March 31, 2020, the Company does not have any subsidiary, associate, or joint venture company.

#### **5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Details of investments made by the Company outstanding as on March 31, 2020 are appended in Notes No. 10 and 13 to the Financial Statements.

During the year under review, the Company has not given any loans or provided any securities under the provisions of Section 186 of the Companies Act, 2013.

#### **6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions entered into by the Company were in the ordinary course of business and are on arm's length. The Company has not entered into any material related party transactions, i.e. transactions exceeding 10% of the annual turnover as per the audited financial statements.

Suitable disclosures as required under AS-18 have been made in Note No. 27 to the financial statements.

#### **7. CORPORATE GOVERNANCE**

Your Company always places a major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an Organization's corporate governance philosophy is directly linked to high performance. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value for all its stakeholders.

## 7.1) Audit Committee

The primary objective of the Audit Committee is to act as a catalyst in helping the Company to achieve its objectives by overseeing the Integrity of the Company's Financial Statements; Adequacy & Reliability of the Internal Control Systems of the Company; Compliance with Legal & Regulatory Requirements and the Company's Code of Conduct; Review of Performance of the Company's Statutory, Secretarial & Internal Auditors.

Audit Committee monitors & provides an effective supervision of the financial reporting process of the Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

### *Composition, Meetings & Attendance during the Year*

There has been no change in the composition of the Committee during the year and as on March 31, 2020, the Audit Committee comprised of 2 Independent Directors and 1 Executive as its members. During the year under review, 3 (three) Audit Committee meetings were held on July 29, 2019, November 25, 2019 (Adjourned on December 2, 2019, for want of quorum), and January 27, 2020.

The table below gives the details of composition and attendance at the Audit Committee Meetings.

S. No.	Name and Designation of Members	Meetings held	Meetings Attended
1.	Mr. Shachindra Nath – Chairman	3	3
2.	Mr. Atul Gupta – Member		3
3.	Mr. Pranay Kothari – Member		3

## 7.2) Nomination & Remuneration Committee (NRC)

The constitution and the terms of reference of the Nomination & Remuneration Committee ("NRC") are in compliance with the provisions of Section 178(1) of the Companies Act, 2013. The Committee has been entrusted with the responsibility of formulating the criteria for determining qualifications, positive attributes and independence of a director including identifying, screening and reviewing candidates qualified to be appointed as directors and key managerial personnel's as per the NRC policy approved by the Board, attached herewith as 'Annexure 3' to this Report.

### *Composition, Meetings & Attendance during the Year*

The Committee comprised of 2 Independent Directors, 1 Non-Executive Director and 1 Executive Director as its members. During the year under review, Ms. Manasi Gupta was inducted as a member of the Committee in the meeting of Board of Directors of the Company held on May 18, 2019. The NRC met twice in the year and the meetings were held on May 18, 2019 and July 13, 2019.

The table on the next page gives the details of composition and attendance at the NRC meetings.

S. No.	Name and Designation of Members	Meetings held	Meetings Attended
1.	Mr. Shachindra Nath – Chairman	2	2
2.	Mr. Atul Gupta – Member		2
3.	Mr. Pranay Kothari – Member		1
4.	Ms. Manasi Gupta – Member		1

### 7.3) Board of Directors

#### **Composition of the Board**

As on date of this report, there are eight directors on the Board of the Company out of which two directors are Independent Directors and the Board was duly constituted during the year.

Under the provisions of Section 203 of the Companies Act 2013 and upon the recommendations of Nomination and Remuneration Committee, Mr. Atul Gupta was appointed as Executive Chairperson of the Company and Mr. Shyamsunder Agarwal, CEO of the Company was promoted as Managing Director in the Annual General Meeting of the Company held on August 26, 2019.

Mr. S. A. R. Acharya on the recommendation of the Nomination and Remuneration Committee (NRC) was appointed as an Additional Director of the Company w.e.f. July 24, 2020 by the Board of Directors of the Company. As per Section 161 of the Act, Mr. S. A. R. Acharya holds office upto the date of the ensuing Annual General Meeting. Based on recommendation of the NRC, the Board recommends the passing of the Ordinary Resolution for the appointment of Mr. S. A. R. Acharya as a Non-Executive Director, liable to retire by rotation.

The table below gives the details of Composition of Board of Directors as on March 31, 2020:

Name and Designation of Members	Meetings Attended
Mr. Atul Gupta	Executive Chairman
Mr. Shyamsunder Agarwal	Managing Director & CEO
Mr. Shachindra Nath	Non- Executive & Independent Director
Mr. Pranay Kothari	Non- Executive & Independent Director
Mr. R. C. Jain	Non- Executive Director
Mr. Michael Jaeggi	Non- Executive Director
Ms. Manasi Gupta	Non- Executive Director

#### **Directors Liable to Retire by Rotation**

In accordance with the provisions of the Act, not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation and out of which not less than 1/3rd (One-third) shall retire at the Annual General Meeting of the Company. Accordingly, pursuant to the Companies Act, 2013, Mr. Rup Chand Jain (DIN: 00092600) is liable to retire by rotation and, being eligible, offers himself for re-appointment.

### **Meetings of Board & Attendance during the Year**

The Board of Directors of the Company met 5 [five] times during the year under review. The dates of Board Meetings were May 18, 2019, July 13, 2019, July 29, 2019, November 25, 2019 (Adjourned on December 2, 2019 for want of quorum), and January 27, 2020. The time gap between any two consecutive meetings was in compliance with the statutory requirements of the Act.

The table below gives the details of meetings held and their attendance at the Board Meetings:

<b>Name of Directors</b>	<b>Meetings held</b>	<b>Meetings Attended</b>
Mr. Atul Gupta	5	5
Mr. Shyamsunder Agarwal		2
Mr. Shachindra Nath		5
Mr. Pranay Kothari		4
Mr. R.C. Jain		3
Ms. Manasi Gupta		5
Mr. Michael Jaeggi		0

### **7.4) Declaration by Independent Directors**

The Independent Directors hold office for their respective term and are not liable to retire by rotation. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(6) of the Companies Act, 2013 and there is no change in their status of Independence.

### **7.5) Performance Evaluation of Board**

Section 134 of the Companies Act, 2013 states that a formal evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Further, Schedule IV to the Companies Act, 2013 states that performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

In accordance with the aforesaid provisions, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

Some of the performance indicators based on which the evaluation takes place are-attendance in the meetings, quality of preparation/participation, ability to provide leadership and work as team player. In addition, few criteria for independent directors include commitment to protecting/enhancing interests of all shareholders and contribution in implementation of best governance practices. Performance criteria for Whole-time Directors includes contribution to the growth of the Company, new ideas /planning and compliances with all policies of the Company.

### **7.6) Separate Meeting of Independent Directors**

The Company encourages separate meetings of its independent directors but due to outbreak of COVID-19, no separate meeting of the Independent Directors could be held during the financial year

2019-20. However, the Independent Directors, through a telephonic conversation, discussed on the performance of the Company and its Board of Directors & Chairman.

### **7.7) Key Managerial Personnel (KMP's)**

The following persons hold the office of Key Managerial Personnel's of the Company in compliance of Section 203 of the Companies Act, 2013:

1. Mr. Shyamsunder Agarwal, Managing Director & Chief Executive Officer
2. Mr. Anil Gadoo, Chief Financial Officer
3. Ms. Rini Jangid, Company Secretary

#### ***Changes in Key Managerial Personnel***

Ms. Lakshika Garg resigned from the post of Company Secretary of the Company w.e.f. May 18, 2019 for personal reasons. The Board wishes to place on record its deep sense of appreciation for the valuable contribution made by Ms. Lakshika Garg to the Company during her tenure.

Mr. Manoj Agrawal took interim additional responsibility as Company Secretary of the Company w.e.f. May 18, 2019 in addition to his being the Company's Chief Financial Officer. Due to personal reasons, he resigned from the post of Company Secretary and Chief Financial Officer of the Company w.e.f. July 13, 2019 and July 31, 2019, respectively. The Board wishes to place on record its deep sense of appreciation for the valuable contribution made by Mr. Manoj Agrawal to the Company during his tenure.

Ms. Rini Jangid was appointed as Company Secretary and was designated as Key Managerial Personnel of the Company w.e.f. July 13, 2019.

Mr. Anil Gadoo was appointed as Chief Financial Officer and was designated as Key Managerial Personnel of the Company w.e.f. August 01, 2019.

### **7.8) Risk Management Policy**

The Company has a robust Risk Management policy. The Company through its Management Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

### **7.9) Secretarial Standards**

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **7.10) Internal Financial Controls**

Your Company has put in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed. The Company has also put in place adequate systems of Internal Control to ensure compliance with policies and procedures which is commensurate with size, scale and complexity of its operations. The Company has appointed an external professional firm as Internal Auditor. The Internal Audit of the Company is regularly carried out to review the

internal control systems and processes. The internal Audit Reports along with implementation and recommendations contained therein are periodically reviewed by Audit Committee of the Board.

### **7.11) Details of Significant & Material Orders passed by the Regulators or Courts or Tribunals Impacting the going concern status of the Company**

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

### **7.12) Extract of Annual Return**

As required by Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Extract of Annual Return in Form MGT-9 is furnished as 'Annexure 1' to this Report.

## **8. AUDITORS OF THE COMPANY**

### **8.1) Statutory Auditors**

M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W), pursuant to your approval, were appointed as the Statutory Auditors of the Company in the 11th Annual General Meeting of the Company for carrying out the audit of the financial statements of the Company for the financial years 2017-18 to 2021-22 subject to ratification by members at every Annual General Meeting.

However, the Companies (Amendment) Act, 2017, effective May 7, 2018 had done away with the requirement of annual ratification of appointment of Statutory Auditors. In accordance with the amended Section 139 of the Companies Act, 2013, the appointment of M/s. MSKA & Associates, Chartered Accountants, as the Statutory Auditors of the Company, shall not require any annual ratification for remaining period of their appointment till the conclusion of 16th Annual General Meeting of the Company.

The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and therefore, do not call for further clarification. The Auditor's Report for Financial Year ended March 31, 2020 does not contain any qualification, reservation, adverse remarks or disclaimer.

No frauds have been reported by the Auditors of the Company to the Audit Committee or the Board of Directors under sub-section 12 of section 143 of the Companies Act, 2013 during the Financial Year.

### **8.2) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Pankaj Nigam & Associates, Company Secretaries, as the Secretarial Auditors of the Company to undertake Secretarial Audit of the Company for FY 2019-20.

The Secretarial Audit Report is annexed herewith as 'Annexure 2' to this Report and does not contain any qualification, reservation, adverse remarks or disclaimer.

### 8.3) Internal Auditors

The Board of Directors of the Company had appointed M/s Ravi Rajan & Co, Chartered Accountants as Internal Auditor for the Financial Year 2019-20 to conduct the Internal Audit of the Company. The scope, functioning, periodicity and methodology for conducting internal audit were approved by the Audit Committee and Board of Directors.

### 8.4) Cost Auditors

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable for the business activities conducted by the Company.

## 9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believes that Corporate Social Responsibility is a means to achieve a balance of economic, environmental and social imperatives, while addressing the expectations of shareholders and all stakeholders. It is considered a responsible way of doing business.

During the year, the Company, through the CSR Committee, has undertaken to support a primary school on the outskirts of Dehradun that is extending education upto Class XII to the weakest segment of the society by extending comprehensive support to its students.

The company has also extended support to the sick, abused and distressed animals, sponsoring their food, through an NGO.

The CSR policy indicating the activities to be undertaken by the company in areas or subject, specified in Schedule VII and as approved by the Board is attached as 'Annexure 4' to this Report.

### *Composition, Meetings & Attendance during the year*

There has been no change in the composition of the Committee during the year and as on March 31, 2020. The Committee comprised of 1 Independent Director, 1 Non-Executive Director and 1 Executive Director as its members. During the year under review, 3 (three) CSR Committee meetings were held on July 13, 2019, November 25, 2019 (Adjourned on December 2, 2019, for want of quorum), and January 27, 2020.

The table below gives the details of composition and attendance at the CSR meetings.

S. No.	Name and Designation of Members	Meetings held	Meetings Attended
1.	Mr. Atul Gupta – Chairman	3	3
2.	Mr. Pranay Kothari – Member		2
3.	Ms. Manasi Gupta – Member		3

The Annual Report on CSR activities for the Financial year ending March 31, 2020 in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as 'Annexure 5' to this Report.

CORPORATE SOCIAL RESPONSIBILITY

# PURKAL YOUTH DEVELOPMENT SOCIETY

The Purkal Youth Development Society (PYDS) is a registered Society that has been providing holistic care and quality education through a K-12 CBSE affiliated school (located on the outskirts of Dehradun) to the young and poor of rural Uttarakhand since 2003.

Started by Mr. G. K. Swamy and his wife, Mrs. Chinni Swamy in 1998 as an after-school tutoring of 4 children from the village in cowsheds and garages, the school currently has 553 students from 50 villages nearby and from the upper reaches of Uttarakhand, of whom by conscious design, 2/3rd are girls.

The school provide education that is comparable to some of the best private schools in the city, where the students are exposed to quality recreational activities as a part of holistic development.

Out of 232 school graduates, 78 are successfully employed and 141 are pursuing Higher Education. They have succeeded qualifying for careers as Electronic and Electrical Engineers, Architects, Physiotherapists, Merchant Marine Cadets, Pharmacists, Mass Media Practitioners, Hospitality Executives and in Indian Defence Services and Liberal Arts.





Row wise from top:  
Pottery class  
Meal time, Tinkering lab  
E-lab, Art room



## 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, are as below:

- (a) *Conservation of energy & Technological Absorption* - Disclosure not required, since no activities in relation to conservation of energy undertaken by the Company during the financial year 2019-20.
- (b) *Foreign exchange earnings and Outgo*: The details of Foreign Exchange inflows and the Foreign Exchange outflows during the financial year 2019-20 are as below:

Particulars	Current Year March 31, 2020	Previous Year March 31, 2019
<b>Earnings in foreign currency</b>		
Revenue from operations	18.14	14.17
<b>Total</b>	<b>18.14</b>	<b>14.17</b>
<b>Expenditure in foreign currency</b>		
Travel and conveyance	0.42	0.27
Fees and subscriptions	0.22	0.08
Legal & professional	0.35	0.11
Referral fees	36.20	-
<b>Total</b>	<b>37.19</b>	<b>0.46</b>

## 11. THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. It has put in place a "Policy on Prevention of Sexual Harassment" as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the provision relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The table below gives the details of composition of the Internal Complaint Committee:

S. No.	Name and Designation of Members	Meetings Attended
1.	Ms. Isha Sharma	Presiding Officer
2.	Ms. Vaneesa Agrawal	External Member
3.	Ms. Shivani Sharma	Member
4.	Ms. Rini Jangid	Member
5.	Mr. Vineet Parekh	Member
6.	Mr. Sandeep Arora	Member
7.	Mr. Upendra Dutt Tripathi	Member

During the FY 2019-20, the Company has not received any complaint on sexual harassment under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **12. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Since the Company is an unlisted company, disclosures in terms of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable on the Company in accordance with Sub section 12 of Section 197 of the Companies Act 2013.

## **13. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of our knowledge and belief and according to the information and explanations obtained by us, Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2020, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profits of the Company for the year ended March 31, 2020.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual financial statements have been prepared on a going concern basis.
- e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### **Acknowledgment**

The Directors wish to express their deep appreciation for the continued co-operation & support from the Regulators, Stock Exchanges, Depositories, Business Partners, Bankers and Clients.

The Directors also wish to place on record and thank all its employees for their contribution, support and continuing co-operation.

Above all, the Board expresses its gratitude to the members of the Company who have reposed faith in the Board and its Management.

For and on behalf of Board of Directors

Place: Gurugram  
Date: July 24, 2020

**Atul Gupta**  
Executive Chairman  
DIN: 00528086

**Shyamsunder Agarwal**  
Managing Director & CEO  
DIN: 08516709

# ANNEXURE 1 TO THE DIRECTOR'S REPORT

## FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

<b>Corporate Identification Number</b>	U67120HR2005PLC036952
<b>Registration Date</b>	28/11/2005
<b>Name of the Company</b>	ORBIS FINANCIAL CORPORATION LIMITED
<b>Category / Sub-Category</b>	Public Company Limited by Shares/Indian Non-Govt. Co
<b>Address of the Registered office and contact details</b>	4A Ocus Technopolis, Sector 54, Golf Club Road, Gurugram – 122002, Haryana, India Telephone: +91 124 4546565 Fax: +91 124 454 6500
<b>Whether listed company</b>	No
<b>Name, Address &amp; contact details of Registrar &amp; Transfer Agent</b>	Skyline Financial Services Private Limited, D-153, A I Floor, Okhla Industrial Area, Phase – I, New Delhi-110020 Tel: 011-41044923, Fax: +91 11 26812682 Email-info@skylinerta.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Activities auxiliary to financial service activities n.e.c	66190	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Associate Orbis Capital Limited 4A, Technopolis, Sector 54, Golf Club Road, Gurugram-122002, Haryana	U74991HR2006PLC036951	Holding	100%	2(46)

Note: After the closure of financial year 2019-20, Scheme of Merger of Orbis Capital Limited into the Company has been approved by Regional Director (Northern Region) vide its order dated April 27, 2020 and as per the Scheme, shareholders of Orbis Capital Limited has become the shareholders of the Company in proportion of their shareholding in Orbis Capital Limited.

### SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL WITH BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	Nil	65500000	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	65500000	Nil	65500000	100	65500000	Nil	65500000	100	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1)</b>	<b>65500000</b>	<b>Nil</b>	<b>65500000</b>	<b>100</b>	<b>65500000</b>	<b>Nil</b>	<b>65500000</b>	<b>100</b>	<b>Nil</b>

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Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>65500000</b>	<b>Nil</b>	<b>65500000</b>	<b>100</b>	<b>65500000</b>	<b>Nil</b>	<b>65500000</b>	<b>100</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B) (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

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Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B) (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	<b>65500000</b>	<b>Nil</b>	<b>65500000</b>	<b>100</b>	<b>65500000</b>	<b>Nil</b>	<b>65500000</b>	<b>100</b>	<b>Nil</b>

## ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Shares of % change in shareholding during the year
		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	
01	Orbis Capital Limited	65500000	100	Nil	65500000	100	Nil	Nil

### iii) Change in Promoters' Shareholding

S. No.	Particulars	Shareholding at the beginning 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
1.	At the beginning of the year	65500000	100	65500000	100
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change	No Change	No Change	No Change
3.	At the End of the year	65500000	100	65500000	100

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Particulars	Shareholding at the beginning 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
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
3.	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

### v) Shareholding of Directors and Key Managerial Personnel

S. No.	Particulars	Shareholding at the beginning 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
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
3.	At the End of the year	Nil	Nil	Nil	Nil

#### IV. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

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	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Indebtedness At the end of the financial year</b>				
<b>i) Principal Amount</b>	Nil	Nil	Nil	Nil
<b>ii) Interest due but not paid</b>	Nil	Nil	Nil	Nil
<b>iii) Interest accrued but not due</b>	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

\* Non-fund-based limits outstanding on March 31, 2020 was Rs. 1550 Million.

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Million)

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		
		Atul Gupta (Executive Chairman)	Shyamsunder Agarwal (Managing Director & CEO)	Total Amount
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.77	12.23	15.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.74	0.03	0.77
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>3.51</b>	<b>12.26</b>	<b>15.77</b>
<b>Ceiling as per the Act</b>		15% of net profits calculated as per section 198 of Companies Act, 2013 by virtue of special resolution passed in annual general meeting – 15.93		

### B. Remuneration to other Directors: (Rs. in Million)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shachindra Nath	Pranay Kothari	Manasi Gupta	Rup Chand Jain	Michael Johann Eduard Jaeggi	
<b>1</b>	<b>Independent Directors</b>						
	Sitting fees for attending board/ committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2</b>	<b>Other Non-Executive Directors</b>						
	Sitting fees for attending board/ committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total B = (1+2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Managerial Remuneration</b>	<b>15.77</b>					
	<b>Overall Ceiling as per the Act</b>	<b>15.93</b>					

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD: (Rs. in Million)**

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Anil Gadoo (Chief Financial Officer)	Rini Jangid (Company Secretary)	Lakshika Garg* (Company Secretary)	Manoj Agrawal** (Chief Financial Officer & Company Secretary)	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.48	2.15	0.14	4.44	12.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission					
	- as % of profit	Nil	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>5.48</b>	<b>2.15</b>	<b>0.14</b>	<b>4.44</b>	<b>12.21</b>

\* Ms. Lakshika Garg resigned from the post of Company Secretary w.e.f. w.e.f. May 18, 2019.

\*\* Mr. Manoj Agrawal was immediately appointed as Company Secretary of the Company w.e.f. May 18, 2019. Subsequently, Mr. Manoj Agrawal resigned from the post of Company Secretary and Chief Financial Officer of the Company w.e.f. July 13, 2019 and July 31, 2019, respectively.

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

During the year there were no Penalties/Punishments/Compounding of Offences levied/ordered against the Company or any of its Directors/Officers.

For and on behalf of Board of Directors

Place: Gurugram  
Date: July 24, 2020

**Atul Gupta**  
Executive Chairman  
DIN: 00528086

**Shyamsunder Agarwal**  
Managing Director & CEO  
DIN: 08516709

# ANNEXURE 2

## TO THE DIRECTOR'S REPORT

### FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To,  
 The Members,  
 Orbis Financial Corporation Limited  
 4A, Technopolis Sector 54, Golf Club Road,  
 Gurugram, Haryana- 122002

- 1) I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Orbis Financial Corporation Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the company 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 on 31st March, 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:

- 2) I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Company for the financial year ended on 31st March, 2020 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during the audit period)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
  - (i) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008.
  - (j) The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996
  - (k) The Securities And Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011
- 3) I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreement entered into by the Company with the Stock Exchange/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (The Company is an unlisted entity hence these regulations are not applicable).
- 4) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, the compliance by the Company of applicable financial laws, like Direct & Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

I further report that 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.

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.

All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that 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 during the audit period apart from the instances mentioned hereunder, there were specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

- i) The Company has executed a Scheme of Merger with Orbis Capital Limited (the transferor Company) pursuant to the provisions of the Section 233 of the Companies Act, 2013 and the same has been approved by the Regional Director (Northern region) in Form CAA. 12 on 27th April, 2020 and the appointed date for the Scheme of Merger is 01st April, 2019.

Place: Gurugram  
Date: July 24, 2020

**For PANKAJ NIGAM & ASSOCIATES**  
**Company Secretaries**

(Pankaj Kumar Nigam)  
Membership No. FCS-7343  
Certificate of Practice No. 7979

# ANNEXURE 3 TO THE DIRECTOR'S REPORT

## ORBIS FINANCIAL CORPORATION LIMITED NOMINATION AND REMUNERATION POLICY

*[The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto]*

### Introduction

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (employees designated as Vice President and above) of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the applicable SEBI Guidelines this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel is formulated by the Committee and needs to be approved by the Board of Directors.

Unless the context otherwise requires, words and expressions used in this policy shall have the same meaning defined in the Companies Act, 2013 (as may be amended from time to time) respectively assigned to them therein.

The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 03 March 2015.

### Objective and purpose of the Policy

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (both Executive and Non-Executive) and persons who may be appointed as Key Managerial and in Senior Management Personnel and to determine their remuneration.
- To identify persons who are qualified to become Directors and who may be appointed in the senior management;
- To recommend to the Board, appointment and removal of the identified directors and senior management personnel based on the laid down criteria and formulated policy;
- To formulate criteria for evaluation of Independent Directors and the Board and shall carry out evaluation of every director's performance;
- To review the performance of the Managing Director and Whole-time Director and recommend to the Board in this regard;

- To determine remuneration based on the Company's size and financial position.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To devise a policy on the Board diversity;
- To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- To review the overall compensation policy and service agreements of the Managing Director and Whole-time Directors and other employees of appropriate cadres.

### **Effective Date**

This policy shall be effective from March 3, 2015.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on 25th March 2008 by renaming it as Nomination and Remuneration Committee in meeting of the Board held on 12th June 2014 to bring it in consonance with the provisions of Section 178 of Companies Act 2013.

The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half will be independent directors. The Chairman of the Committee shall be an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

### **Applicability**

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

### **General**

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

### **Part – A**

#### **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

### **Part – B**

#### **Policy for Appointment and Removal of Director, KMP and Senior Management**

##### **Appointment Criteria and Qualifications**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise & experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### **Term / Tenure**

###### **1. Managing Director/Whole-time Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

###### **2. Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the

Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

### **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### **Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **Board Diversity**

The Board of the Company may consciously be drawn in a manner that at least one director from each of the following field is on the Board of the Company.

1. Finance
2. Legal and General administration
3. Marketing
4. Any other field as may be decided by the Nomination & Remuneration Committee of the Company

## **Part – C**

### **Remuneration Policy**

The Company's inter-alia remuneration policy is determined by the success and performance of the individual employee and the Company. The performance of the individual employee is measured through an annual appraisal process. The Company, through its compensation program, attracts, develops, motivates and retains its talented workforce.

### **Directors Remuneration**

Remuneration paid to the Non-Executive Directors: The Company pays sitting fees of ₹ 5,000/- per meeting to the Non-Executive Independent Directors for attending the meetings of the Board, Audit Committee and Remuneration and Compensation Committee.

### **Amendments to the Policy**

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of Board of Directors

Place: Gurugram  
Date: July 24, 2020

**Atul Gupta**  
Executive Chairman  
DIN: 00528086

**Shyamsunder Agarwal**  
Managing Director & CEO  
DIN: 08516709

# ANNEXURE 4 TO THE DIRECTOR'S REPORT

## ORBIS FINANCIAL CORPORATION LIMITED CORPORATE SOCIAL RESPONSIBILITY POLICY

*[The CSR Committee and this Policy is in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.]*

### Introduction

In pursuance of the requirements laid down under Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the "CSR Rules") issued by the Ministry of Corporate Affairs ("MCA"), Government of India, the CSR Committee of the Board of Directors had drafted a CSR Policy. Unless the context otherwise requires, words and expressions used in this policy shall have the same meaning defined in the Companies Act, 2013 (as may be amended from time to time) respectively assigned to them therein.

The following policy has been formulated by the CSR Committee and adopted by the Board of Directors at its meeting held on July 29, 2019.

### Objective and Purpose of the Policy

The CSR Policy relates to the activities to be undertaken by the Company as specified in the Schedule VII of the Companies Act 2013 and the expenditure thereon, excluding activities undertaken in pursuance of normal course of action of business of the Company. Detailed Objectives as below:

- To lay down criteria and terms and conditions with regard to identifying CSR Projects or Programs or activities which fall under the purview of the Schedule VII of the Companies Act 2013, specifying the modalities of execution of such project, programs and activities and implementation schedule of the same.
- To ensure that the surplus arising out of the CSR Projects or programs or activities do not form part of the business profit of the Company and that it is used for CSR Activities only.
- To devise a monitoring process to review overall such projects or programs or activities undertaken by the Company.

### Effective Date

This policy shall be effective from date of the Board meeting on which it was approved.

## Constitution of the CSR Committee

The CSR Committee shall consist of three or more directors. The Company is exempted from appointment of Independent director under section 149 (4) of the Companies Act 2013 because of its wholly owned subsidiary status, however the Company may appoint an Independent Director as a Corporate Governance measure.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## General

- This Policy is divided in two parts: Part – A Scope of CSR Activities at ORBIS; Part – B covers Governance Structure for CSR Activities; CSR Budget, Monitoring and reporting.
- The key features of this Company's policy shall be included in the Board's Report.

## PART – A

### 1. SCOPE OF CSR ACTIVITIES AT ORBIS

Activities which are over and above normal course of business at Orbis are CSR Activities. This policy applies to all our CSR projects. On a periodic basis this policy will be reviewed and updated in line with relevant codes of corporate governance, international standards and best practices. Furthermore, the policy also fulfils the requirements of the CSR rules as per the Section 135 of the Companies Act, 2013.

#### 1.1. Normal Course of Business

The Company has a significant presence in various businesses under Financial Services wherein the Company is registered with the Securities and Exchange Board of India (SEBI) as Custodian of Securities and Registrar and Share Transfer Agents; as Debenture Trustee through its associate Company and is a Depository Participant with both the depositories, NSDL and CDSL. While these businesses seem diverse, they are unified in that.

### 2. FOCUS AREAS FOR CSR

#### A. WOMEN EMPOWERMENT & FINANCIAL LITERACY

Provide avenues/streams for women to enhance their financial literacy by way of organizing financial literacy camps, sponsoring women candidates for National Institute of Securities Markets (NISM) Certificate Courses and various Certification courses in Banking, Financial Services and Insurance (BFSI) Sector.

By way of organizing Vocational Training and Skill Development Camps and/or funding such camps, upskill women by enabling them to learn new crafts and methods.

## B. EDUCATION

Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

## C. GREEN INDIA

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

Over and above the three focused goals, the Company may from time to time undertake additional CSR activities under Schedule VII of the Companies Act 2013, such detailed below:

### 2.1 ACTIVITIES THAT THE COMPANY IS AUTHORISED TO UNDERTAKE AS CSR ACTIVITIES IN ACCORDANCE WITH SCHEDULE VII OF THE COMPANIES ACT 2013

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt;
- Rural development projects;
- Slum area development. For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- Disaster management, including relief, rehabilitation and reconstruction activities.

## **PART – B**

### **3. GOVERNANCE STRUCTURE**

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of ORBIS will be headed by the Board-level CSR committee. This committee will report to the Board of the Company. The Company Secretary will serve as the Secretary of the CSR Committee.

#### **Responsibilities of the Committee**

- Formulate and update the Company's CSR Policy, and have it approved by the Board;
- Suggest areas of intervention to the Board;
- Approve projects that are in line with the CSR Policy;
- Put monitoring mechanism in place to track the progress of each project;
- Recommend the CSR budget and expenditures to the Board of Orbis, for approval and;
- Meet once a year to review the progress made.
- Ensure the Annual Report is as per prescribed format.

### **4. CSR BUDGET**

The CSR Committee will recommend the annual budget in accordance with Section 135 of the Companies Act 2013, to the Board for its consideration and approval.

### **5. IMPLEMENTATION**

The Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy. The Company will design a monitoring and evaluation mechanism so as to ensure every programme has:

- I. clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and time lines.
- II. a robust progress monitoring system
- III. impact assessments
- IV. a reporting framework and system in alignment with the Act and Rules.

The company will implement its CSR programs through Eligible Trusts as decided by Board from time to time. The thematic areas (Women Empowerment and Financial Literacy and Education) will be implemented by Humanity & Us Foundation.

## 6. REPORTING

The Board-level CSR committee, based on reports presented by the Implementing Committee, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013.

## 7. PARTNER QUALIFICATIONS

If a third party is employed to carry out the implementation of our CSR projects, the Board of Orbis will ensure that they have a clearly explained mission/vision and an established track record of three years in undertaking similar projects or programmes. The implementation agencies should be able to produce their registration forms according to 80G/12A and other documents as may be required.

## 8. TREATMENT OF SURPLUSES

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

## 9. AMENDMENTS TO THE POLICY

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of Board of Directors

Place: Gurugram  
Date: July 24, 2020

**Atul Gupta**  
Executive Chairman  
DIN: 00528086

**Shyamsunder Agarwal**  
Managing Director & CEO  
DIN: 08516709

# ANNEXURE 5 TO THE DIRECTOR'S REPORT

## ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Your Company believes that Corporate Social Responsibility is a means to achieve a balance of economic, environmental and social imperatives, while addressing the expectations of shareholders and all stakeholders. It is a responsible way of doing business.

The CSR Policy of the Company relates to the activities to be undertaken by the Company as specified in the Schedule VII of the Companies Act 2013 and the focus area for CSR is Women Empowerment & Financial Literacy, Education and Green India amongst the activities specified under Schedule VII. The complete CSR policy of your Company is annexed with the Board Report.

During the year, the Company has undertaken the following programs or activities under its CSR obligations through implementing agencies.

- (i) Support to primary school education by way of
  - a) sponsoring education of 16 children; and
  - b) providing infrastructure facilities
- (ii) Support/ care to the sick, abused and distressed animals – sponsored their food

2. The Composition of the CSR Committee:

Mr. Atul Gupta – Chairman  
 Mr. Pranay Kothari – Member  
 Ms. Manasi Gupta – Member

3. Average net profit of the company for the last three financial years: Rs. 56.61 Million

4. Prescribed CSR expenditure (two per cent, of the amount as in item 3 above): Rs. 1.13 Million

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year: Rs. 1.13 Million

(b) Amount unspent, if any: Nil for current year. Even an amount of Rs. 0.23 million out of Rs. 0.66 million which remained unspent last year, was spent, in the current financial year towards discharge of CSR obligation of the Company for FY2019.

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the Project is covered	Project or programs (1) Local area or other  (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads*:  (1) Direct expenditure on projects or programs  (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Support 16 children under Early Childhood Learning Centre (ECLC)	Primary Education	Dehradun, Uttarakhand	Rs 1 million	Rs 1 million	Rs 1 million	Implementing Agency – Purkal Youth Development Society
2	Sponsoring the construction of 2 toilets for Primary Children	Primary Education	Dehradun, Uttarakhand	Rs. 0.26 million	Rs. 0.18 million	Rs. 0.18 million	Implementing Agency – Purkal Youth Development Society
3	Support/ care to the sick, abused and distressed animals – sponsored their food	Health & Welfare	Gurugram, Haryana	Rs. 0.1 million	Rs. 0.1 million	Rs. 0.1 million	Implementing Agency – Friendicoes-SECA, Animal Hospital-cum Shelter

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

NA

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

The Committee states that implementation and monitoring of the CSR policy are in compliance with the CSR objectives and policy of the Company.

For and on behalf of Board of Directors

Place: Gurugram  
Date: July 24, 2020

**Atul Gupta**  
Executive Chairman  
DIN: 00528086

**Shyamsunder Agarwal**  
Managing Director & CEO  
DIN: 08516709

# INDEPENDENT AUDITOR'S REPORT

# INDEPENDENT AUDITOR'S REPORT

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

**1.** We have audited the financial statements of Orbis Financial Corporation Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

### Basis for Opinion

**3.** 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 (“ICAI”) together with the 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.

### Emphasis of Matter

**4.** We draw attention to Note 38 to the financial statements which states that management has made an assessment of the impact of COVID-19 on the Company’s operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

**5.** The Company’s Board of Directors is responsible for the other information. The other information comprises the Director’s report but does not include the financial statements and our auditor’s report thereon.

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

**7.** In connection with our audit of the 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 financial statements or our knowledge obtained in the 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.

### **Responsibilities of Management and Those charged with Governance for Financial Statements**

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

**9.** 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.

**10.** 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**

**11.** 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.

**12.** We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

## Report on Other Legal and Regulatory Requirements

**13.** 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 Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**14.** 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position. Refer Note 32 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. Refer Note 24 to the financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note 31 to the financial statements

**15.** As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

### For MSKA & Associates Chartered Accountants

ICAI Firm Registration No. 105047W

### Manish P Bathija

Partner

Membership No. 216706

UDIN: 20216706AAAAD05776

Place: Gurugram

Date: July 24, 2020

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

## OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ORBIS FINANCIAL CORPORATION LIMITED FOR THE YEAR ENDED MARCH 31, 2020

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

As part of an audit in accordance with the Standards of Auditing (SAs) issued by the Institute of Chartered Accountants of India, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- f) 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.

**For MSKA & Associates  
Chartered Accountants**

ICAI Firm Registration No. 105047W

**Manish P Bathija**

Partner

Membership No. 216706

UDIN: 20216706AAAAD05776

Place: Gurugram

Date: July 24, 2020

# ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

## OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ORBIS FINANCIAL CORPORATION LIMITED FOR THE YEAR ENDED MARCH 31, 202

*[Referred to in Paragraph 13 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]*

- i.**     **a)** The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

**b)** The Company has a program of verification of property, plant and equipment to cover all items in a phased manner over the period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. No material discrepancies were noticed on such verification.

**c)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii.**    The Company is involved in the business of rendering services. Accordingly, the provisions stated in Paragraph 3(ii) of the Order are not applicable to the Company.
- iii.**   The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, provisions stated in Paragraph 3(iii) (a) to (c) of the Order are not applicable to the Company.
- iv.**    In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act and also the Company has not made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in Paragraph 3(iv) of the Order are not applicable to the Company.
- v.**     In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, provisions stated in Paragraph 3(v) of

the Order are not applicable to the Company.

- vi.** The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, provisions stated in Paragraph 3(vi) of the Order are not applicable to the Company.
- vii.** **a)** According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax, and any other statutory dues applicable to it.
- b)** According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, service tax, goods and service tax, and any other statutory dues which have not been deposited on account of any dispute.
- As informed to us, sales-tax, duty of customs, duty of excise, cess and value added tax is not applicable to the Company.
- viii.** According to explanation given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any loans or borrowings from any financial institution, government or debenture holders during the year.
- ix.** The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in Paragraph 3(ix) of the Order are not applicable to the Company.
- x.** During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii.** In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in Paragraph 3(xii) of the Order are not applicable to the Company.
- xiii.** According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, wherever applicable and details of such material 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. Accordingly,

provisions stated in Paragraph 3(xiv) of the Order are not applicable to the Company. Also refer Note 35 to the financial statements.

- 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. Accordingly, provisions stated in Paragraph 3(xv) of the Order are not applicable to the Company. Also refer Note 35 to the financial statements.
- xvi.** In our opinion, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in Paragraph 3(xvi) of the Order are not applicable to the Company.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W

**Manish P Bathija**

Partner

Membership No. 216706

UDIN: 20216706AAAAD05776

Place: Gurugram

Date: July 24, 2020

# ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

## OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ORBIS FINANCIAL CORPORATION LIMITED FOR THE YEAR ENDED MARCH 31, 2020

*[Referred to in paragraph 14(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Orbis Financial Corporation 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 with reference to financial statements of Orbis Financial Corporation Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls With reference to Financial Statements**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

### **For MSKA & Associates Chartered Accountants**

ICAI Firm Registration No. 105047W

**Manish P Bathija**

Partner

Membership No. 216706

UDIN: 20216706AAAAD05776

Place: Gurugram

Date: July 24, 2020

# FINANCIALS

## BALANCE SHEET

(All amounts in Rupees, unless specified otherwise)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	655,000,000	655,000,000
Reserves and surplus	4	136,133,524	20,286,945
		791,133,524	675,286,945
<b>Non-current liabilities</b>			
Long-term provisions	5	6,740,435	5,924,947
Deferred tax liabilities	29	15,916,571	9,353,632
		22,657,006	15,278,579
<b>Current liabilities</b>			
Trade payables:	6		
Total outstanding dues to micro enterprises and small enterprises		1,788,955	109,461
Total outstanding dues to creditors other than micro enterprises and small enterprises		21,176,096	5,824,443
Other current liabilities	7	4,127,354,661	2,600,069,363
Short-term provisions	8	2,040,219	5,927,489
		4,152,359,931	2,611,930,756
		<b>4,966,150,461</b>	<b>3,302,496,280</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Tangible assets	9(a)	119,070,817	120,956,525
Intangible assets	9(b)	5,132,707	4,435,311
Intangible assets under development		270,000	700,000
		124,473,524	126,091,836
Non-current investment	10	-	10,000,000
Long-term loans and advances	11	56,128,408	60,873,603
Other non-current assets	12	171,050,499	141,800,000
		351,652,431	338,765,439
<b>Current assets</b>			
Current investments	13	2,367,572,082	1,703,611,860
Trade receivables	14	81,218,072	38,888,381
Cash and bank balances	15	1,950,879,567	1,081,855,704
Short-term loans and advances	16	183,023,148	113,777,236
Other current assets	17	31,805,161	25,597,660
		4,614,498,030	2,963,730,841
		<b>4,966,150,461</b>	<b>3,302,496,280</b>
Summary of significant accounting policies	2		

The accompanying notes form part of the financial statements.

As per our report of even date attached  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

**Manish P Bathija**  
Partner  
Membership No. 216706

Place: Gurugram  
Date: July 24, 2020

For and on behalf of the Board of Directors of  
Orbis Financial Corporation Limited  
CIN: U67120HR2005PLC036952

Atul Gupta  
Executive Chairman  
DIN : 00528086

Anil Gadoo  
Chief Financial Officer

Shyamsunder Agarwal  
Managing Director & CEO  
DIN : 08516709

Rini Jangid  
Company Secretary  
Membership No. 24950

Shachindra Nath  
Director  
DIN: 00510618

## STATEMENT OF PROFIT AND LOSS

(All amounts in Rupees, unless specified otherwise)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue from Operations	18	337,169,155	159,154,499
Other income	19	101,486,944	65,336,530
		<b>438,656,099</b>	<b>224,491,029</b>
<b>EXPENSES</b>			
Employee benefits expense	20	105,784,870	80,281,729
Finance cost	21	64,007,802	12,896,686
Depreciation and amortisation expenses	22	6,825,482	5,690,914
Other expenses	23	98,629,973	35,201,700
		<b>275,248,127</b>	<b>134,071,029</b>
<b>Profit before tax</b>		<b>163,407,972</b>	<b>90,420,000</b>
<b>Less: Tax expenses</b>			
Current tax		41,837,060	18,614,585
Deferred tax charge		6,562,938	9,353,632
Minimum alternate tax credit available		-	(9,704,175)
Tax adjustment relating to prior years:			
- Current tax		-	1,918,166
- Minimum alternate tax credit available		-	(1,918,166)
		<b>48,399,998</b>	<b>18,264,042</b>
<b>Profit after tax</b>		<b>115,007,974</b>	<b>72,155,958</b>
<b>Earnings per equity share</b> (face value of Rs.10 each)			
Basic and diluted	28	1.76	1.10
Summary of significant accounting policies	2		

The accompanying notes form part of the financial statements.

As per our report of even date attached  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

**Manish P Bathija**  
Partner  
Membership No. 216706

Place: Gurugram  
Date: July 24, 2020

For and on behalf of the Board of Directors of  
Orbis Financial Corporation Limited  
CIN: U67120HR2005PLC036952

Atul Gupta  
Executive Chairman  
DIN : 00528086

Anil Gadoo  
Chief Financial Officer

Shyamsunder Agarwal  
Managing Director & CEO  
DIN : 08516709

Rini Jangid  
Company Secretary  
Membership No. 24950

Shachindra Nath  
Director  
DIN: 00510618

## CASH FLOW STATEMENT

(All amounts in Rupees, unless specified otherwise)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	163,407,972	90,420,000
<b>Adjustment for:</b>		
Finance cost (other than trade related cost)	2,766,297	667,678
Depreciation and amortisation	6,825,482	5,690,914
Dividend on mutual funds	(68,646)	(115,349)
Company Dividend (Refer Note 27)	(621,175)	-
Bad debts written off	-	12,668
Loss / (Gain) on sale of securities	2,146,573	(1,292,424)
Discount on securities	(41,722,454)	(7,658,283)
Loss/ (Profit) on sale of fixed assets, net	(18,000)	3,355
Operating profit before working capital changes	132,716,049	87,728,559
Adjustments for (increase)/ decrease in assets:		
Trade receivables	(42,329,691)	2,256,528
Short-term loans and advances	(69,245,912)	(241,242,807)
Long-term loans and advances	(5,400,000)	(11,600,000)
Other current/non-current assets	(35,458,000)	(20,416,216)
Bank balances not considered as cash and cash equivalents, net	(138,509,737)	(698,910,000)
	<b>(290,943,340)</b>	<b>(969,912,495)</b>
Adjustments for increase/ (decrease) in liabilities:		
Trade payables	17,031,147	1,547,311
Other current liabilities	1,527,285,298	1,938,122,870
Short-term and long-term provisions	1,646,103	1,558,414
	1,545,962,548	1,941,228,595
Net income tax (paid)	(36,409,747)	(14,628,246)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,351,325,510</b>	<b>1,044,416,413</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(5,207,170)	(12,574,726)
Sale of non current investment	10,000,000	-
Purchase of current investment - securities	(1,171,481,814)	(501,170,101)
Sale of current investment - securities	1,388,499,449	332,679,056
Dividend on mutual funds	68,646	115,349
Company Dividend (Refer Note 27)	621,175	-
Adjustment due to amalgamation (refer note 35)	17,271,853	-
Proceeds on sale of fixed assets	18,000	5,999
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>239,790,140</b>	<b>(180,944,423)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost (paid)	(2,766,297)	(667,678)
Interim Dividend (paid)	(13,000,000)	-
Dividend Distribution Tax (paid)	(3,433,248)	-
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(19,199,545)</b>	<b>(667,678)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C) 1,571,916,104</b>	<b>862,804,312</b>
Cash and cash equivalents as at the beginning of the year	1,695,775,809	832,971,497
<b>Cash and cash equivalents as at end of the year</b> (Refer footnote)	<b>3,267,691,912</b>	<b>1,695,775,809</b>
<b>Footnote: Cash and cash equivalents comprise</b>	#REF!	
Balances with banks - In current accounts (include foreign currency accounts) (Refer Note 15)	900,119,830	169,605,704
Current investments (highly liquid investments in mutual funds) (Refer Note 13)	2,367,572,082	1,526,170,105
	<b>3,267,691,912</b>	<b>1,695,775,809</b>

Summary of significant accounting policies (Note 2)

The accompanying notes form part of the financial statements.

As per our report of even date attached  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

**Manish P Bathija**  
Partner  
Membership No. 216706

Place: Gurugram  
Date: July 24, 2020

For and on behalf of the Board of Directors of  
Orbis Financial Corporation Limited  
CIN: U67120HR2005PLC036952

Atul Gupta  
Executive Chairman  
DIN : 00528086

Anil Gadoo  
Chief Financial Officer

Shyamsunder Agarwal  
Managing Director & CEO  
DIN : 08516709

Rini Jangid  
Company Secretary  
Membership No. 24950

Shachindra Nath  
Director  
DIN: 00510618

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 1. BACKGROUND

Orbis Financial Corporation Limited ("hereinafter referred to as OFCL or the Company") is registered with Securities and Exchange Board of India (SEBI) as a Custodian of Securities and is engaged into depository, clearing and settlement, loan book administration, fund accounting registered transfer agency services and reporting services.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis for preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 as amended by the Companies (Accounting Standard) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

#### c. Cash and cash equivalents (only for cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### d. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant & equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on intangible assets are amortised over estimated useful life of 5 years on straight line basis and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

#### e. Revenue recognition

Income comprises revenue from custody services, depository participant services, professional clearing services, loan book administration services, fund accounting services and debenture trusteeship services rendered.

#### Income from Operations

Income from operation is recognized on completed service method on rendering of services and when no significant uncertainty exists as to its realization or collection.

#### Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

#### Dividend Income

Dividend is recognised when the Company's right to receive dividend is established.

#### f. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, if any. Current investments are carried individually at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties etc.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### g. Property, plant & equipment

#### Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of CENVAT /Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of tangible asset.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of CENVAT/ Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

Subsequent expenditure relating to intangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### Intangible assets under development

Intangibles under development comprises cost of acquired intangible assets that are under development and not yet ready for their intended use at the balance sheet date.

### h. Foreign currency transactions and translations

#### Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

#### Exchange differences:

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur.

### i. Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, compensated absences and leave encashment.

#### Defined contribution plans:

The Company's contribution to Provident Fund and Employee State Insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined benefits plans:

For defined benefit plans in the form of gratuity obligation the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### **Short-term employee benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and leave travel allowance which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

### **Long-term employee benefits:**

Compensated absences and leave encashments which are neither expected to occur or nor expected to be encashment within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of actuarial valuation.

### **j. Employee' stock option plan**

Measurement and disclosure of the stock option granted under the Company's employee share-based payment plans is done in accordance with the Guidance note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on straight line basis.

### **k. Segment reporting**

#### **Business segment**

Based on similarity of activities, risks and reward structure, organization structure and Internal reporting systems, the Company operates in a single business segment and is primarily engaged into depository, clearing and settlement, loan book administration, fund accounting and reporting services.

#### **Geographic segment**

Geographical revenues are segregated based on the location of the customer in relation to which the revenue is recognised.

### **l. Leases – Operating Lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

### **m. Earnings per share**

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### **n. Taxes on income**

Income tax comprises Current tax and Deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### **o. 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. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

### **p. Contingent Liability, Provisions and Contingent Asset**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.

### **q. Operating cycle**

All assets and liabilities have been 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 business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### **r. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **s. Corporate social responsibility**

The Company discharges its corporate social responsibility (CSR) obligation through contributions to external trusts for purposes as specified in Schedule VII to the Act. These contributions/ expenditures are recognized in Statement of profit or loss on accrual/ paid basis and no provision is made against unspent amount, if any.

### **t. Material Events**

Material events occurring after the balance sheet date are taken into cognizance.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 3 SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
<b>Authorised</b> [Refer Note 35 (v)]				
Equity shares of Rs.10 each	133,000,000	1,330,000,000	67,000,000	670,000,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs.10 each	65,500,000	655,000,000	65,500,000	655,000,000

#### Notes:

i) 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 held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Opening balance	65,500,000	655,000,000	65,500,000	655,000,000
Add: Allotment during the year	-	-	-	-
	<b>65,500,000</b>	<b>655,000,000</b>	<b>65,500,000</b>	<b>655,000,000</b>

iii) Details of equity shares with voting rights held by the holding company:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Orbis Capital Limited (holding company) and its nominees (Refer Note 35)	-	-	65,500,000	655,000,000
	-	-	<b>65,500,000</b>	<b>655,000,000</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Orbis Capital Limited (holding company) and its nominees (Refer Note 35)	-	-	65,500,000	100.00%
Atul Gupta	31,091,173	47.47%	-	0.00%
Orbis Foundation	12,008,296	18.33%	-	0.00%
Multi-Act Private Equity Investment Trust	5,663,986	8.65%	-	0.00%

v) No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash and no class of shares have been bought back during the period of 5 years immediately preceding the Balance Sheet date. Also, refer Note 35.

### 4 RESERVES AND SURPLUS

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Securities premium account</b>		
Opening balance	12,000,000	12,000,000
Add: Acquired on Amalgamation [Refer Note 35 (iii)]	37,022,000	-
(Less): Adjustment due to amalgamation [Refer Note 35 (iii)]	(12,000,000)	-
Balance as at the end of the year	37,022,000	12,000,000
<b>Surplus/ (deficit) in Statement of Profit and Loss</b>		
Opening balance	8,286,945	(63,869,013)
Add: Profit for the year	115,007,974	72,155,958
(Less): Acquired on Amalgamation [Refer Note 35 (iii)]	(6,752,147)	-
(Less): Adjustment on Amalgamation [Refer Note 35 (iii)]	(998,000)	-
(Less): Interim Dividend	(13,000,000)	-
(Less): Dividend Distribution Tax	(3,433,248)	-
Balance as at the end of the year	99,111,524	8,286,945
	<b>136,133,524</b>	<b>20,286,945</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 5 LONG-TERM PROVISIONS

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Provision for employee benefits</b>		
Provision for compensated absences and leave encashment	3,120,466	2,179,644
Provision for gratuity (Refer Note 26)	3,619,969	3,745,303
	<b>6,740,435</b>	<b>5,924,947</b>

### 6 TRADE PAYABLES

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Total outstanding dues of micro enterprises and small enterprises*	1,788,955	109,461
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,176,096	5,824,443
	<b>22,965,051</b>	<b>5,933,904</b>

\*Disclosure relating to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the information available with the Company:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	1,788,955	109,461
Interest	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

### 7 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Income received in advance (Unearned revenue)	5,998,967	7,229,216
Statutory remittances	9,632,448	5,419,619
Deposits from clients (Refer Note 16 and 39)	3,735,837,045	2,234,038,589
Payable to customers on trade (including mark to market obligations)	343,151,317	329,301,356
Security deposits	1,110,000	-
Advance from customers	2,562,505	1,553,904
Payables against Capital expenditure	-	140,595
Other payables	29,062,379	22,386,084
	<b>4,127,354,661</b>	<b>2,600,069,363</b>

### 8 SHORT-TERM PROVISIONS

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Provision for income tax [Net of advance tax: Nil (March 31, 2019: Rs.13,896,700)]	-	4,717,885
<b>Provision for employee benefits:</b>		
Provision for compensated absences and leave encashment	1,210,543	610,981
Provision for gratuity (Refer Note 26)	829,676	598,623
	<b>2,040,219</b>	<b>5,927,489</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 9 (a) PROPERTY PLANT & EQUIPMENTS - TANGIBLE ASSETS

Particulars	Improvements to buildings*	Buildings *	Plant and equipment (data processing)	Furniture and fixtures	Office Equipment	Vehicle	Total
<b>At cost</b>							
As at April 01, 2018	13,600,084	120,373,285	8,513,016	2,836,354	10,535,119	1,742,628	157,600,486
Additions	-	-	1,248,357	55,460	900,736	6,575,409	8,779,962
Disposals	-	-	-	(9,999)	-	-	(9,999)
<b>As at March 31, 2019</b>	<b>13,600,084</b>	<b>120,373,285</b>	<b>9,761,373</b>	<b>2,881,815</b>	<b>11,435,855</b>	<b>8,318,037</b>	<b>166,370,449</b>
Additions	-	-	1,949,610	582,139	1,096,588	-	3,628,337
Disposals	-	-	-	(109,520)	-	(1,742,628)	(1,852,148)
<b>Closing as at March 31, 2020</b>	<b>13,600,084</b>	<b>120,373,285</b>	<b>11,710,983</b>	<b>3,354,434</b>	<b>12,532,443</b>	<b>6,575,409</b>	<b>168,146,638</b>
<b>Accumulated amortisation:</b>							
As at April 01, 2018	2,011,231	20,107,467	4,306,762	2,715,997	9,547,797	1,742,628	40,431,882
Additions	558,661	2,006,221	1,728,081	27,938	403,874	257,912	4,982,687
Disposals	-	-	-	(645)	-	-	(645)
<b>As at March 31, 2019</b>	<b>2,569,892</b>	<b>22,113,688</b>	<b>6,034,843</b>	<b>2,743,290</b>	<b>9,951,671</b>	<b>2,000,540</b>	<b>45,413,924</b>
Additions	560,167	2,011,718	1,516,689	38,731	562,562	824,178	5,514,045
Disposals	-	-	-	(109,520)	-	(1,742,628)	(1,852,148)
<b>Closing as at March 31, 2020</b>	<b>3,130,059</b>	<b>24,125,406</b>	<b>7,551,532</b>	<b>2,672,501</b>	<b>10,514,233</b>	<b>1,082,090</b>	<b>49,075,821</b>
<b>Net block</b>							
<b>As at March 31, 2020</b>	<b>10,470,025</b>	<b>96,247,879</b>	<b>4,159,451</b>	<b>681,933</b>	<b>2,018,210</b>	<b>5,493,319</b>	<b>119,070,817</b>
<b>As at March 31, 2019</b>	<b>11,030,192</b>	<b>98,259,597</b>	<b>3,726,530</b>	<b>138,525</b>	<b>1,484,184</b>	<b>6,317,497</b>	<b>120,956,525</b>

\* Includes net block of Improvements to Buildings and Buildings of Rs.9,735,205 (March 31, 2019: Nil) and Rs.68,405,501 (March 31, 2019: Nil) respectively, which are mortgaged towards overdraft facility availed by the Company.

### 9 (b) PROPERTY PLANT & EQUIPMENTS - INTANGIBLE ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cost</b>		
Opening balance	25,333,517	21,115,264
Additions	2,008,833	4,218,253
(Less): Disposals	-	-
	<b>27,342,350</b>	<b>25,333,517</b>
<b>Accumulated amortisation</b>		
Opening Balance	20,898,206	20,189,979
Charge for the year	1,311,437	708,227
(Less): Disposals	-	-
	<b>22,209,643</b>	<b>20,898,206</b>
<b>Net block</b>	<b>5,132,707</b>	<b>4,435,311</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 10 NON-CURRENT INVESTMENTS

(Trade, unquoted, at cost)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investments in equity instruments</b>		
Nil (March 31, 2019: 1,000,000) equity shares of Orbis Securities Private Limited, a fellow subsidiary	-	10,000,000
	-	<b>10,000,000</b>
Aggregate amount of unquoted investments	-	10,000,000

### 11 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deposits with:</b>		
Trade exchanges, clearing agencies and depositories	33,600,000	30,300,000
Others	2,255,000	155,000
Minimum alternate tax credit recoverable	6,888,591	14,237,341
Advance income tax [net of provision Rs. 60,907,522 (March 31, 2019: Rs. 4,533,166)]	13,384,817	16,181,261
	<b>56,128,408</b>	<b>60,873,603</b>

### 12 OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit accounts with banks (Refer Note 40)	171,050,499	141,800,000
	<b>171,050,499</b>	<b>141,800,000</b>

### 13 CURRENT INVESTMENTS

(non trade, unquoted)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investment in mutual funds (at cost):</b>		
469,086 (March 31, 2019: 316,740) units of Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option (Refer Note 41)	2,275,389,102	1,441,120,903
41,539 (March 31, 2019: 176,515) units of Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Weekly Dividend Reinvestment	409,612	1,783,349
1,342 (March 31, 2019: Nil) units of BNP Paribas Liquid Fund - Direct Growth	4,102,909	-
329 (March 31, 2019: Nil) units of Nippon India Overnight Fund - Direct Growth Plan	35,284	-
3,169,059 (March 31, 2019: 3,169,059) units of Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth (Refer Note 41)	87,635,175	83,265,853
	<b>2,367,572,082</b>	<b>1,526,170,105</b>
<b>Investment in commercial papers (at cost):</b>		
Nil (March 31, 2019: 381) units of commercial paper of Choice Finserve Private Limited	-	177,441,755
	-	<b>177,441,755</b>
	<b>2,367,572,082</b>	<b>1,703,611,860</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 14 TRADE RECEIVABLES

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding for a period exceeding six months from the date they were due for payment	20,898,962	6,395,707
Others	60,319,110	32,492,674
	<b>81,218,072</b>	<b>38,888,381</b>

### 15 CASH AND BANK BALANCES

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and cash equivalents:</b>		
Balances with banks - In current accounts (include foreign currency accounts)	900,119,830	169,605,704
<b>Other bank balances</b>		
Deposits with maturity more than three months from date of maturity (Refer Note 40)	1,050,759,737	912,250,000
	<b>1,950,879,567</b>	<b>1,081,855,704</b>

### 16 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Recoverable from customers on trades (including mark to market recoverable)	153,845,093	111,864,374
Recoverable from exchange (net)	23,115,705	-
Advance to suppliers	115,979	-
Advance to employees	1,243,772	348,207
Balance with government authorities	4,702,599	64,655
Deposit towards usage of trademark	-	1,500,000
	<b>183,023,148</b>	<b>113,777,236</b>

### 17 OTHER CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued and not due on deposits	8,096,159	16,563,967
Unbilled revenue	13,716,107	-
Prepaid expenses	9,992,895	9,033,693
	<b>31,805,161</b>	<b>25,597,660</b>

### 18 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Operations	205,211,726	105,955,196
Other Operating Income (Net Income from Treasury Operations including interest on bank deposits and securities considered incidental to Operations)	131,957,429	53,199,303
	<b>337,169,155</b>	<b>159,154,499</b>

### 19 OTHER INCOME

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit on sale of mutual funds (Net)	97,519,526	64,448,793
Dividend on mutual funds	68,646	115,349
Company Dividend (Refer Note 27)	621,175	-
Profit on sale of fixed assets (Net)	18,000	-
Foreign exchange fluctuation gain (Net)	882,699	-
Miscellaneous	2,376,898	772,388
	<b>101,486,944</b>	<b>65,336,530</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 20 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and other benefits	96,471,847	73,790,021
Contribution to provident fund and other funds	3,553,592	3,033,213
Gratuity (Note 26)	1,559,565	580,910
Compensated absences and leave encashment	2,976,841	1,972,159
Staff welfare	1,223,025	905,426
	<b>105,784,870</b>	<b>80,281,729</b>

### 21 FINANCE COST

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on bank overdraft	39,999	8,599
Interest expense on income tax	645,011	-
Interest on delay in payment of statutory dues other than income tax	114,320	4,551
Interest on trading members' margin deposits	43,872,176	7,684,675
Bank guarantee charges	17,369,329	4,544,333
Bank charges	1,966,967	654,528
	<b>64,007,802</b>	<b>12,896,686</b>

### 22 DEPRECIATION AND AMORTISATION

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment [Note 9(a)]	5,514,045	4,982,687
Amortisation of intangible assets [Note 9(b)]	1,311,437	708,227
	<b>6,825,482</b>	<b>5,690,914</b>

### 23 OTHER EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Legal and professional charges (Refer Note 42)	14,748,632	8,060,611
Travel and conveyance	4,257,025	2,853,665
Repairs and maintenance		
Buildings	3,631,385	2,749,145
Others	4,133,260	4,101,986
Rent	4,520,000	1,719,000
Fees and subscriptions	6,424,221	6,392,700
Electricity	1,581,540	1,532,600
Communication	2,079,991	2,176,035
Insurance	1,023,055	843,020
Referral Fees	46,865,489	-
Software maintenance	3,524,834	2,507,665
Rates and taxes	1,057,315	865,439
Miscellaneous	4,783,226	1,399,834
	<b>98,629,973</b>	<b>35,201,700</b>

### 24 COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.270,000 (net of advance: Nil) [March 31, 2019: Rs.470,000 (net of advances: Nil)].
- The Company did not have any long term contracts including derivative contracts on which there will be any material foreseeable losses.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 25 FOREIGN CURRENCY

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>a) Expenditure incurred in foreign currency</b>		
Travel and conveyance	420,967	273,254
Fees and subscriptions	215,018	75,313
Legal and professional	349,000	111,520
Referral Fees	36,196,583	-
<b>b) Earnings in foreign currency</b>		
Revenue from operations	18,136,677	14,169,640

### 26 EMPLOYEE BENEFITS

#### A. Defined contribution plan

- Provident fund
- Employee state insurance fund
- Labour welfare fund

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund	3,497,874	2,979,203
Employer's Contribution to Employee State Insurance Fund	28,124	37,216
Employer's Contribution to Employee Labour Welfare Fund	27,594	16,794
	<b>3,553,592</b>	<b>3,033,213</b>

#### B. Defined benefit plans

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the assumptions stated in note (iv) below. The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service with no ceiling on amount. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

The following tables set out the status of the gratuity plan (unfunded) and amounts recognised in the Company's financial statements as at March 31, 2020:

#### (i) Change in Defined Benefit Obligation

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation as at the beginning of the year	4,343,926	4,530,325
Interest cost	332,745	353,365
Current service cost	751,562	750,748
Benefits paid	(1,453,846)	(767,309)
Actuarial loss/(gain) on obligation	475,258	(523,203)
Present value of obligation as at the end of year	<b>4,449,645</b>	<b>4,343,926</b>
Classified as:		
Long-term provisions	3,619,969	3,745,303
Short-term provisions	829,676	598,623

#### (ii) Expenses recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	751,562	750,748
Interest cost	332,745	353,365
Net actuarial loss/(gain)	475,258	(523,203)
	<b>1,559,565</b>	<b>580,910</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### (iii) Balance sheet reconciliation

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation as at the beginning of year	4,343,926	4,530,325
Present value of obligation as at the end of the year	4,449,645	4,343,926
Benefits paid	(1,453,846)	(767,309)
Expenses recognized in the Statement of Profit and Loss	<b>1,559,565</b>	<b>580,910</b>

### (iv) Principal actuarial assumptions

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	6.79%	7.66%
Future salary increases	6.78%	8.78%
Retirement age	60 years/ 70 years	60 years/ 70 years
Mortality table	IALM (2012-14)	IALM (2006-08)
Withdrawal % by age group: Up to 30 years	35.00%	35.00%
Withdrawal % by age group: From 31 to 44 years	25.00%	25.00%
Withdrawal % by age group: Above 44 years	10.00%	10.00%

#### Notes:

- The discount rate is based upon the market yields available on Government bonds as at the accounting date with a term that matches that of the liabilities.
- The estimates of salary growth rate considered in the actuarial valuation takes into account inflation, seniority, promotion and other relevant factors on long term basis.

### (v) Experience adjustments:

	Present value of benefit obligation
Year ended March 31, 2020	4,449,645
Year ended March 31, 2019	4,343,926
Year ended March 31, 2018	4,530,325
Year ended March 31, 2017	3,423,698
Year ended March 31, 2016	3,392,818

## 27 RELATED PARTY TRANSACTIONS

### A. Details of nature of relationship and name of related parties:

Nature of Relationship	Name
(i) Individual exercising control	Atul Gupta (Executive Chairman)
(ii) Holding company	Orbis Capital Limited (OCL) [merged w.e.f. April 01, 2019 (Refer Note 35)]
(iii) Subsidiary company/ Fellow subsidiary	Orbis Securities Private Limited (OSPL) (liquidated w.e.f. September 04, 2019)
(v) Key managerial personnel (KMP) and relatives	Atul Gupta (Executive Chairman) Shyamsunder Agarwal (Managing Director & Chief Executive Officer) Manoj Agrawal (Chief Financial Officer) (up to July 31, 2019) Anil Gadoo (Chief Financial Officer) (w.e.f. August 01, 2019) Rup Chand Jain (Director) Rashmi Gupta (Relative of Executive Chairman) Manasi Gupta (Relative of Executive Chairman)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### B. Details of transactions entered into during the year:

Nature of transaction	Holding company and fellow subsidiary		KMP and Relatives	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>OSPL:</b>				
Liquidation of Investment	22,000,000	-	-	-
Company Dividend	621,175	-	-	-
Revenue - OCL	-	1,180	-	-
Revenue - OSPL	-	1,180	-	-
<b>Sale of securities</b>				
Rup Chand Jain	-	-	35,000,000	-
<b>Shares issued under ESOP Plan</b>				
Manoj Agrawal	-	-	3,900,000	-
<b>Reimbursements of expenses</b>				
Atul Gupta	-	-	1,795,185	420,285
Anil Gadoo	-	-	270,726	-
Shyamsunder Agarwal	-	-	743,761	655,460
Manoj Agrawal	-	-	27,501	178,349
<b>Remuneration paid</b>				
Atul Gupta (including rent free accommodation)	-	-	5,142,308	3,668,260
Anil Gadoo	-	-	5,720,949	-
Shyamsunder Agarwal	-	-	12,676,129	14,349,332
Manoj Agrawal	-	-	4,571,517	5,923,804
<b>Rent paid</b>				
Manasi Gupta	-	-	720,000	540,000
Rashmi Gupta	-	-	720,000	540,000

### C. Details of balances outstanding as at the reporting date:

Nature of transaction	Holding company and fellow subsidiary		KMP and Relatives	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Advance recoverable</b>				
OCL	-	1,500,000	-	-

Note: OCL had granted a corporate guarantee of Nil (March 31, 2019: Rs.500,000,000) in favour of banks towards bank guarantees to be issued on behalf of the Company.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 28 EARNINGS PER SHARE (EPS)

Earning per share is calculated by dividing the profit available for appropriation by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as follows:

Particulars	March 31, 2020	March 31, 2019
Profit attributable to equity shareholders (A)	115,007,974	72,155,958
Equity shares outstanding (No's)	65,500,000	65,500,000
Basic weighted average number of equity shares outstanding during the year (No.s) (B)	65,500,000	65,500,000
Adjustment for employees' stock option (ESOP)* (No.s) (C)	-	-
Diluted weighted average number of equity shares outstanding during the year (No.s) (D = C + B)	65,500,000	65,500,000
Nominal value of equity shares	10.00	10.00
Basic earnings per share (A/B)	1.76	1.10
Diluted earnings per share (A/D)	1.76	1.10

\*The shares to be so issued are fairly priced and are assumed to be neither dilutive nor anti-dilutive. Hence, these have been are ignored in the computation of diluted earnings per share.

### 29 DEFERRED TAX

The components of deferred tax as at March 31, 2020 are as follows:

Particulars	March 31, 2020	March 31, 2019
<b>a) Deferred tax liability</b>		
Difference between book balance and tax balance of fixed assets	(18,473,496)	(16,648,753)
<b>b) Deferred tax asset</b>		
Brought forward losses and unabsorbed depreciation	-	5,310,289
Provision for gratuity	1,295,736	1,208,480
Provision for leave encashment	1,261,189	776,352
	<b>2,556,925</b>	<b>7,295,121</b>
<b>Net deferred tax assets/ (liability)</b>	<b>(15,916,571)</b>	<b>(9,353,632)</b>

### 30 SEGMENT REPORTING

The Company operates in a single business segment and is primarily engaged into custody, clearing and settlement, depository, fund accounting, registrar and share transfer agency and reporting services.

Secondary segmental reporting is performed on the basis of the geographical location of customers. Geographical revenues are segregated based on the location of the customer in relation to which the revenue is recognised.

Particulars	Within India	Others	Total
Revenue from Operations	319,032,478	18,136,677	337,169,155
	(144,984,859)	(14,169,640)	(159,154,499)
Segment assets	4,955,011,591	11,138,870	4,966,150,461
	(3,291,326,158)	(11,170,122)	(3,302,496,280)
Capital expenditure	5,207,170	-	5,207,170
	(12,574,726)	-	(12,574,726)

Note: Figures in bracket relate to the previous year.

31 There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 32 CONTINGENT LIABILITIES:

- The Company has availed bank guarantees from various banks issued in favour of exchanges and/ or clearing corporations aggregating to Rs.1,550,000,000 (March 31, 2019: Rs.1,100,000,000) towards margin deposits.
- The Company does not have any pending litigations which would impact its financial position.

### 33 OPERATING LEASES

The Company has entered into both, cancellable and non-cancellable operating leases for commercial facility and residential rent free accommodations. These lease arrangements range upto 5 years with an initial lock-in of 2 years for commercial lease facility. Rental expense for operating lease recognised in the Statement of Profit and Loss is Rs.4,520,000 (March 31, 2019: Rs.1,719,000).

- As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company.

#### Details of CSR Expenditure:

	March 31, 2020	March 31, 2019
Gross amount required to be spent by the Company	1,132,220	657,494
Detail of amount spent during the financial year		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than mentioned in (i) above	1,360,000	-
	<b>1,360,000</b>	-

### 35 SCHEME OF AMALGAMATION

A scheme of arrangement ("the scheme") pursuant to Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromise, Arrangements & Amalgamations) Rules 2016, under the fast track route, was approved by Regional Director (Northern region), New Delhi dated April 27, 2020 which envisions the amalgamation of Orbis Capital Limited ("Transferor Company") with the Company ("Transferee Company") on a going concern basis with effect from April 01, 2019 (the 'Appointed Date'). The Board of Directors of the Transferor Company and the Transferee Company adopted the scheme on December 02, 2019 in their respective Board Meetings. Further, the filing of order with Registrar of Companies was completed on July 14, 2020 (the 'Effective Date') by the Transferee Company and Transferor Company.

#### i) Salient features of the scheme:

With effect from the Appointed Date, the business of the Transferor Company together with all assets, rights, certificates of registration, liabilities and employees, is transferred to the Transferee Company pursuant to provision of Section 233 and applicable provisions of The Companies Act, 2013. All assets, rights, certificates of registration, acquired by the Transferor Company after the appointed date and prior to effective date will also stand transferred to the Transferee Company.

With effect from the appointed date, all the legal proceedings of whatsoever nature by or against the Transferor Company pending and/ or arising at or after the Appointed Date with respect to its properties, assets, debts, liabilities, duties and obligations, shall be continued and/or enforced (as applicable) until the Effective Date against the Transferor Company only. From the Effective Date such proceeding shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Transferee Company agrees to adopt the existing ESOP Plan 2018 of the Transferor Company; such that all employees to whom stock options have been granted by the Transferor or Transferee Company, as the case maybe, continue to be eligible to hold stock options and exercise the stock options as per the terms of the grant letter and the ESOP Plan 2018.

All the profits or income accruing or arising or expenditure or losses arising to or incurred by the Transferor Company with effect from appointed date up to and including the effective date will be treated as profits or income or expenditure or loss of the Transferee Company. Upon this Scheme becoming effective, the Transferor Company stands dissolved without being wound up.

#### ii) Accounting treatment:

Upon the Scheme becoming effective and with effect from the Appointed date, the merger of Transferor Company with the Transferee Company shall be accounted as per "Pooling of Interest Method" prescribed under Accounting Standard 14 – "Accounting for Amalgamation" such that:

- Transferee Company shall, record all the assets and liabilities, including reserves and profit and loss of the Transferor Company vested in it pursuant to this scheme, at their respective Book values and under respective heads as on the Appointed date.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

- The Transferee Company shall issue and allot its shares to equity shareholders of the Transferor Company such that the entire equity share capital of the Transferee Company will be issued and allotted to the equity shareholders of the Transferor Company in proportion of their respective equity shareholding in the Transferor Company, as determined under the scheme.
- The excess/deficit in the book value of assets, liabilities and reserves and the face value of the equity shares issued by the Transferee Company shall be adjusted with the reserves of Transferee Company.
- In case of any difference in the accounting policy between Transferor Company and Transferee Company, the accounting policies followed by Transferee Company will prevail and the impact of the same from Appointed date is quantified and adjusted in the profit and loss of Transferee Company to ensure that the financial statement of Transferee Company reflect the financial position on the basis of consistent accounting policy.

### iii) Assets and Liabilities taken over pursuant to scheme of amalgamation as at appointed date.

The following assets and liabilities have been transferred to the Transferee Company pursuant to the scheme of merger:

Particulars	Amount
<b>Assets:</b>	
Non-current investments	12,000,000
Long-term loans and advances	114,874
Other non-current assets	1,472,070
Trade receivables	1,018,979
Cash and bank balance	575,983
Other current assets	400,401
<b>Total - A</b>	<b>15,582,307</b>
<b>Liabilities:</b>	
Trade payables	653,084
Other current liabilities	1,659,370
<b>Total - B</b>	<b>2,312,454</b>
<b>Reserves:</b>	
Security Premium	37,022,000
Deficit in Statement of Profit and Loss	(6,752,147)
<b>Total - C</b>	<b>30,269,853</b>
Net assets transferred (D = A - B - C)	<b>(17,000,000)</b>

### iv) Adjustment in reserves of the Company pursuant to above mentioned accounting treatment:

Particulars	Amount
Share Capital issued (Consideration)	655,000,000
(Less): Net assets transferred	17,000,000
(Less): Adjustments as per clause 15 of the Order sanctioned by Regional Director (Northern Region) for shares issued under Employee stock option plan by Transferor Company	(4,002,000)
(Less): Non Current investment held by the Transferor Company in the Transferee Company (including Security Premium of Rs.12,000,000)	(667,000,000)
<b>Difference transferred to as Reserve and Surplus</b>	<b>998,000</b>

Assets and liabilities of the Transferor Company have been reclassified/regrouped to conform to the financial statements of the Transferee Company.

- v) As per Clause 16.03 of the scheme approved by Regional Director (Northern region), the authorised share capital of the Company will increase to INR 133,00,00,000/- (Indian Rupees One Hundred and Thirty-Three Crore) divided into 13,30,00,000 equity shares of INR 10/- (Indian Rupees Ten) each.
- vi) Pursuant to the scheme of merger, financial statements for the year ended March 31, 2020 include financial position and financial result of Orbis Capital Limited as on and for the year ended March 31, 2020 and hence not comparable to the financial statements for the year ended March 31, 2019.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 36 Employees' stock option plan

During year 2018-19, the Transferor Company introduced an Employee Stock Option Plan titled "Orbis Employee Stock Option Plan 2018" ('the plan', 'ESOP Plan 2018' or 'the scheme'). As per the plan, the Transferor Company shall grant options under the Plan until its termination by the Board or the date on which all of the options for issuance under the Plan have been granted, issued and exercised, whichever is earlier.

Directors and permanent employees of the Transferor Company and Transferee Company are eligible for grant of option under this plan. However, promoter directors, independent directors and directors holding (directly or indirectly) more than 5% of paid up shares shall not be eligible for grant of options under this plan. All eligible persons referred in this paragraph are hereinafter referred as 'employee'.

Under the plan, the Transferor Company may grant in aggregate up to a maximum of 6,500,000 options to issue equivalent shares of Rs 10 each to eligible employees. However, such grant (or in aggregate) to any individual employee shall not exceed 5% of paid up share capital of the Company. Further, such Options are not transferable except in case of death or permanent incapacity of a Grantee.

Out of the 6,500,000 options, the Nomination and Remuneration Committee had granted 5,620,000 options during the financial year 2018-19 to employees of Transferee Company. Exercise price of these options are Rs.10 per option. These options shall vest over a period of 3 years commencing from June 20, 2019 as per the approved vesting schedule communicated to respective employee. The vesting conditions require the employees/ directors to be in service/ associated with the Company during the vesting period.

Once the options vest as per the Scheme, they would be exercisable by the option grantee at any time not exceeding five years from the date of its vesting.

#### Share allotted pursuant to exercise of options may be transferred by employee:

- Upon the listing of the Shares on a recognized stock exchange in India, the grantee shall be free to transfer the shares (part or full) pursuant to the exercise of the Option and subject to applicable laws;
- Upon the occurrence of a strategic sale, the Board may cause, at its own discretion, the grantee to transfer the shares acquired pursuant to exercise of options to the buyer. In such circumstances the transfer will be at the same price at which the shares of the promoters or promoter group are being bought by the buyer. Similarly, upon the occurrence of a strategic sale and a sale condition so being stipulated by the buyer, the grantee shall be under obligation to transfer all or such number of shares acquired pursuant to exercise of options to the buyer. The price per share shall be the same price at which the shares of the promoters or promoter group are being bought by the buyer.

A synopsis of the plan is as below:

Particulars	Units	As at	As at
		March 31, 2020	March 31, 2019
Exercise price per share		10	10
Date of grant	Date	June 20, 2018	June 20, 2018
Number of options granted	Numbers	5,620,000	5,620,000
Original vesting schedule:			
Tranche - I, Date: June 20, 2019	Numbers	3,051,000	3,051,000
Tranche - II, Date: June 20, 2020	Numbers	1,101,000	1,101,000
Tranche - III, Date: June 20, 2021	Numbers	1,468,000	1,468,000
Method of settlement (cash/ equity)		Equity	Equity
Vesting period (up to)	In years	1-3 years	1-3 years
Exercise period (from date of vesting)	In years	5 years	5 years

The details of activity under ESOP Plan 2018 have been summarised below:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
At the beginning of the year	5,498,000	10.00	-	-
Granted during the year	-	-	5,620,000	10.00
Lapsed during the year	1,150,800	10.00	122,000	10.00
Exercised during the year	400,200	10.00	-	-
Outstanding at the end of the year	3,947,000	10.00	5,498,000	10.00
Exercisable at the end of the year	-	-	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

The exercise price and related details for stock options outstanding:

Particulars	Vesting schedule (Tranche)		
	I	II	III
Number of options outstanding (in numbers)	2,549,100	599,100	798,800
Weighted average remaining contractual life (in years)	4.23	5.23	6.23
Fair value per option	2.99	3.30	3.59
Exercise price	10.00	10.00	10.00

The Company follows intrinsic value method of valuation as prescribed by Institute of Chartered Accountants of India in the Guidance Note on Accounting for employee Share -based payments. For the purpose of disclosure of effect on earnings per share, the fair value of the option on the date of grant has been calculated by an external valuer, using the Binomial Option Pricing Model. The Binomial Option Pricing Model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected term of option exercise, stock price and exercise price for calculation of fair value of the option. Market price has been computed using the Net Assets Method (Cost approach) as per such external valuer.

Key assumptions used for fair valuation of options:

Particulars	Vesting schedule (Tranche)		
	I	II	III
Vesting date	June 20, 2019	June 20, 2020	June 20, 2021
Expected exercise periods (In years)	3.00	3.50	4.00
Exercise price	10.00	10.00	10.00
Volatility	30.00%	30.00%	30.00%
Risk free rate	7.67%	7.77%	7.85%
Expected dividends	0.00%	0.00%	0.00%
Share price	10.00	10.00	10.00

Impact on the net results and EPS (both basic and diluted) for the current year, had the fair value method been used:

Particulars	March 31, 2020	March 31, 2019
i) Impact of net results		
Impact of amortised option cost for the year	3,589,592	-
Adjusted profit after tax	111,418,382	-
ii) Adjusted basic and diluted earnings per share	1.701	-

37 Details of unhedged foreign currency exposures are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount in foreign currency	Amount (in Rupees)	Amount in foreign currency	Amount (in Rupees)
Bank balances	USD 46,035	3,470,390	USD 10,109	699,253
Trade receivables	USD 147,758	11,138,870	USD 161,485	11,170,122
Trade payables	USD 246,918	18,614,106	-	-

38 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a lockdown across the country to contain the spread of the virus. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements on account of the same. Accordingly, no adjustments have been made to the financial statements.

39 As a part of routine business operations, the Company receives securities/ instruments from customers for the purposes of pledging with clearing corporations/ exchanges towards margins for their respective trade exposures. These securities/ instruments are held by the Company in a fiduciary capacity on behalf of customers.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Rupees, unless specified otherwise)

### 40 Balances in deposit accounts:

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
(i) Pledged with stock exchanges /clearing corporations towards base capital and exposure deposits	170,250,499	562,356,074	79,150,000	677,250,000
(ii) Pledged with banks towards bank guarantees	-	478,089,837	62,500,000	185,000,000
(iii) Pledged with Banks towards bank overdraft facility	-	10,000,000	-	50,000,000
(iv) Pledged with government authorities	-	150,000	150,000	-
	<b>170,250,499</b>	<b>1,050,595,911</b>	<b>141,800,000</b>	<b>912,250,000</b>

### 41 Mutual funds pledged with exchanges are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
(i) 376,156 (March 31, 2019: Nil) units of Reliance Liquid Fund- Treasury Plan - Direct Growth Plan - Growth Option	1,824,614,332	-
(ii) 3,168,999 (March 31, 2019: 3,168,999) units of Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth	87,633,920	83,264,185
	<b>1,912,248,252</b>	<b>83,264,185</b>

### 42 Auditors remuneration (excluding applicable taxes):

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory audit	1,325,000	1,025,000
Tax audit	125,000	125,000
Certifications	90,000	-
Other services	755,000	30,000
Reimbursement of out-of-pocket expenses	54,792	30,600
	<b>2,349,792</b>	<b>1,210,600</b>

### 43 Previous year's figures have been regrouped and/or reclassified wherever necessary to confirm to the current year's grouping and classification.

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Orbis Financial Corporation Limited  
CIN: U67120HR2005PLC036952

**Manish P Bathija**  
Partner  
Membership No. 216706

Atul Gupta  
Executive Chairman  
DIN : 00528086

Shyamsunder Agarwal  
Managing Director & CEO  
DIN : 08516709

Shachindra Nath  
Director  
DIN: 00510618

Place: Gurugram  
Date: July 24, 2020

Anil Gadoo  
Chief Financial Officer

Rini Jangid  
Company Secretary  
Membership No. 24950

# OUR TEAM









# ORBIS

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