

**BSE INSTITUTE OF RESEARCH
DEVELOPMENT & INNOVATION**

**ANNUAL ACCOUNTS
FY 2019-2020**



A S B & ASSOCIATES

CHARTERED ACCOUNTANTS

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VASHI, NAVI-MUMBAI-400703.
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INDEPENDENT AUDITORS' REPORT

**To the Members of
BSE Institute of Research Development & Innovation**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **BSE Institute of Research Development & Innovation** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Income and Expenditure and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('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, its deficit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

The above report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Management's responsibility for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

As required by Section 143(3) of the Act, based on our audit we report that:

1. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act (hereinafter referred to as the "Order"), is not applicable to the Company in term of Clause 2(iii) of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, Statement of Income and Expenditure and 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 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 on its financial position in its financial statements.

- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund during the year ended March 31, 2020.

For ASB & Associates

Chartered Accountants

ICAI Firm Registration No. 134676W

Sd/-

Place: Mumbai

Date: 19th May, 2020

Sureshkumar Jain

Partner

Membership No. 130915

BSE Institute of Research Development & Innovation
Balance Sheet as at 31st March 2020

	Particulars	Note No.	As at 31st March 2020
A	ASSETS		
1	Current Assets		
a	Financial Assets		
	(i) Cash and Cash Equivalents	2	48,33,806
b	Other Current Assets	3	12,70,301
	Total Current Assets		61,04,107
	Total Assets		61,04,107
B	EQUITY AND LIABILITIES		
1	EQUITY		
a	Equity Share Capital	4	1,00,000
b	Other Equity	5	(50,255)
	Total Equity		49,745
2	LIABILITIES		
2.1	Current Liabilities		
a	Financial Liabilities		
	(i) Borrowings	6	60,30,025
	(ii) Trade Payables	7	5,151
b	Other Current Liabilities	8	19,186
	Total Current Liabilities		60,54,362
	Total Liabilities		60,54,362
	Total Equity & Liabilities		61,04,107

Significant accounting policies

2

The accompanying notes from 1 to 10 form an integral part of these financial statements

as per our report of even date attached

For ASB Associates

Chartered Accountants

ICAI Firm Reg. No: 134676W

Sureshkumar Jain

Partner

Membership No: 130915

Place : Mumbai

Date : 19th May 2020

For and on behalf of the Board of Directors
BSE Institute of Research Development & Innovation

Ambarish Datta

Director

(DIN:03225242)

Neeraj Kulshrestha

Director

(DIN: 02994647)

BSE Institute of Research Development & Innovation
Income and Expenditure Account from 5th December 2019 to 31st March 2020

	Particulars	Note No.	From the period 5th December 2019 to 31st March 2020
1	Revenue		
a	Revenue From Operation		-
b	Income from Investment and other income		-
	Total Revenue		-
2	Expenses		
a	Finance Cost	9	35,255
b	Other Expenses	10	15,000
	Total Expenses		50,255
	Surplus/(Deficit) Before Exceptional And Extra ordinary Items And Tax (1-2)		-
3	Exceptional Items		(50,255)
4	Surplus/(Deficit) Before Extra ordinary Items and Tax (3-4)		-
5	Extraordinary Items		(50,255)
6	Surplus/(Deficit) Before Tax (5 - 6)		-
7	Tax Expenses		(50,255)
8	Current Tax		-
9	Surplus/(Deficit) for the year from Continuing Operation		(50,255)
10	Surplus/(Deficit) for the year from discontinuing Operation		-
11	Surplus/(Deficit) for the year		(50,255)
12	Other Comprehensive Income		-
a	(i) Items that will not be reclassified to profit or loss		-
	Remeasurement of the defined benefit plan- Actuarial gain		-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-
b	(i) Items that will be reclassified to profit or loss		-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-
13	Total Other Comprehensive Income for the period		-
14	Total Comprehensive Income for the period (11+13)		(50,255)
	Earning Per Equity Share		
15	Basic & Diluted		(5.03)
16	Par value of shares		10
17	Weighted average number of shares		10,000

Significant accounting policies

1

The accompanying notes from 1 to 10 form an integral part of these financial statements

as per our report of even date attached

For ASB Associates

Chartered Accountants

ICAI Firm Reg. No: 134676W

Sureshkumar Jain

Partner

Membership No: 130915

For and on behalf of the Board of Directors

BSE Institute of Research Development & Innovation

Ambarish Datta

Director

(DIN:03225242)

Neeraj Kulshrestha

Director

(DIN: 02994647)

Place : Mumbai

Date : 19th May 2020

BSE Institute of Research Development & Innovation
Cash Flow Statement from 5th December 2019 to 31st March 2020

	Particulars		From the period 5th December 2019 to 31st March 2020
			Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before Tax as per Profit and Loss Account		(50,255)
	Adjustment: Interest on Inter Corporate Deposit		33,361
	Increase in Trade Payables		5,151
	Increase in Other Current Liabilities		19,186
	Increase in Accrued Interest on Inter Corporate Deposit		30,025
	Increase in Other Current Assets		(12,70,301)
	Net Cash generated from Operating Activities	A	(12,32,833)
B.	CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
	Net Cash generated from / (used in) Investing Activities	B	-
C.	CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
	Increase in Share Capital		1,00,000
	Received Inter Corporate Deposit		60,00,000
	Interest on Inter Corporate Deposit		(33,361)
	Net Cash generated from / (used in) Financing Activities	C	60,66,639
	Net (Decrease) / Increase in Cash and Cash equivalents	A+B+C	48,33,806
	Opening Balance of Cash and Cash equivalents		
	Cash Balance		-
	Bank Balance in Current Account		-
	Closing Balance of Cash and Cash equivalents		
	Cash Balance		-
	Bank Balance in Current Account		48,33,806
	Net (Decrease) / Increase in Cash and Cash equivalents		48,33,806

Significant accounting policies (refer Note 1)

The accompanying notes from 1 to 10 form an integral part of these financial statements

as per our report of even date attached

For ASB Associates

Chartered Accountants

ICAI Firm Reg. No: 134676W

Sureshkumar Jain

Partner

Membership No: 130915

For and on behalf of the Board of Directors

BSE Institute of Research Development & Innovation

Ambarish Datta

Director

(DIN:03225242)

Neeraj Kulshrestha

Director

(DIN: 02994647)

Place : Mumbai

Date : 19th May 2020

BSE Institute of Research Development & Innovation
Notes forming the part of Financial Statement

Note : 2 Cash and Cash Equivalents

Particulars	As at 31st March 2020
Cash and Cash Equivalents :	
Bank Balances	48,33,806
Total	48,33,806

Note : 3 Other Current Assets

Particulars	As at 31st March 2020
(Unsecured and Considered good)	
Advances to vendors(Architect's Fees)	50,150
Prepaid Stamp Duty	2,05,000
Balance with government authorities	10,15,151
Total	12,70,301

Note : 4 Equity Share Capital

Particulars	As at 31st March 2020
Authorized	
10,000 (P.Y.- Nil) Equity Shares of Rs. 10/- each	1,00,000
Each equity shares is entitled to one voting right only	
Issued Subscribed and paid - up	
10,000 (P.Y.- Nil) Equity Shares of Rs. 10/- each	1,00,000
Each equity shares is entitled to one voting right only	
Total	1,00,000

4 (a) Reconciliation of number of shares outstanding

Particulars	No. of shares
Opening share capital	
Fresh Issue: Share Application Money	10,000
Closing share capital as on 31.03.2020	10,000
Equity Face Value Re. 10/- fully paid up	

4 (b) Details of shareholding as at 31st March, 2020

10,000 Equity Shares of Rs. 10 each

Each equity shares is entitled to one voting right only

4 (c). List of Shareholders holding more than 5% shares:

Name of Shareholder	As at 31st March, 2020	
	No. of Shares held	% of Holding
BSE Institute Limited	10,000	100%

BSE Institute of Research Development & Innovation
Notes forming the part of Financial Statement

Note : 5 Other Equity

Particulars	As at 31st March 2020
Retained Earnings	
Balance brought forward	-
Add: Profit for the period/year	(50,255)
Add: Other Comprehensive Income	-
Total	(50,255)

Note: 6 Borrowings

Particulars	As at 31st March 2020
Unsecured : From Related Parties	
Inter Corporate Deposits (Repayable on demand)	60,00,000
Interest Accued on Inter Corporate Deposits	30,025
Total	60,30,025

Note: 7 Trade Payables

Particulars	As at 31st March 2020
Payable to Holding Company	5,151
Total	5,151

(a) No amount is payable to "Suppliers" registered under Micro, Small and Medium Enterprises Development Act 2006

No interest has been paid /payable by the Company during the year to the "Suppliers" covered under Micro, Small and Medium Enterprises Development Act 2006.

Note: 8 Other Current Liabilities

Particulars	As at 31st March 2020
Provision for Statutory Audit Fees	15,000
Statutory Dues	4,186
Total	19,186

BSE Institute of Research Development & Innovation
Notes forming the part of Financial Statement

Note: 9 Finance Cost

Particulars	From the period 5th December 2019 to 31st March 2020
Bank Charges	1,894
Interest on Inter Corporate Deposit	33,361
Total	35,255

Note: 10 Other Expenses

Particulars	From the period 5th December 2019 to 31st March 2020
Details of remuneration to auditors	
As auditor(on accrual basis, excluding applicable taxes) for statutory audit	15,000
Total	15,000

BSE Institute of Research Development & Innovation
Statement of Changes in Equity

During the period 5th December 2019 to 31st March 2020	Equity Share Capital	Other Equity			Total equity attributable to equity holders of the Company
		Retained Earnings	Other Comprehensive income	Total Other Equity	
Opening Balance	-	-	-	-	-
Issue of Equity Shares	1,00,000	-	-	-	1,00,000
Profit/ (Loss) for the period	-	(50,255)	-	(50,255)	(50,255)
Remeasurement of the net defined benefit liability/asset, net of tax effect (acturial gian/ (loss)	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-	-
Balance as at March 31, 2020	1,00,000	(50,255)	-	(50,255)	49,745

BSE Institute of Research Development & Innovation
Explanatory Notes forming part of the Financial Statements

Company Overview

BSE Institute of Research Development & Innovation is a company established to provide and develop technical education including training, research and innovation in different streams including Engineering, Technology, Architecture, Town Planning, Management, Pharmacy, Applied Arts and Crafts, Hotel Management and Catering Technology at different levels.

1. Significant Accounting Policies

1.1 Statement of compliance

These financial statements being the first financial statement of the company have been prepared for the part of the year from its date of incorporation to the end of the financial year in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

1.2 Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

BSE Institute of Research Development & Innovation
Explanatory Notes forming part of the Financial Statements

1.3 Use of Estimates:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

1.4 Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their primary nature.

1.5 Income Tax

Income Tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax-law) and deferred tax charge or credit (reflecting the tax effects of timing defERENCE between accounting income and taxable income for the year). Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

1.6 Financial Instruments

1.6.1 Initial recognition: Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

1.6.2 Subsequent measurement (Non derivative financial instruments)

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

BSE Institute of Research Development & Innovation
Explanatory Notes forming part of the Financial Statements

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Cash and cash equivalents

Cash and cash equivalents considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

Classification as debt or equity

Debt and equity instruments issued by the company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

BSE Institute of Research Development & Innovation
Explanatory Notes forming part of the Financial Statements

1.6.3 Fair value of financial instruments: In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.6.4 Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Revenue from Investments and Deposits" line item.

1.7 Current / Non-current classification

The company present assets and liabilities to be classified as either Current or Non-current.

Assets

- An asset is classified as current when it satisfies any of the following criteria:
 - a. it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
 - b. it is held primarily for the purpose of being traded;
 - c. it is expected to be realised within twelve months after the balance sheet date; or
 - d. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date
- All other assets are classified as non-current.

Liabilities

- A liability is classified as current when it satisfies any of the following criteria:
 - a. it is expected to be settled in, the entity's normal operating cycle;
 - b. it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
 - c. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
- All other liabilities are classified as non-current.

1.8 Operating Cycle

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

BSE Institute of Research Development & Innovation
Explanatory Notes forming part of the Financial Statements

1.9 Employee benefits

The company has no employees on its payroll as on the balance sheet date

1.10 Property, plant and equipment

The company does not have any fixed assets as on the balance sheet date.

1.11 Impairment

1.11.1 Financial assets (other than at fair value)

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

1.11.2 Non-financial assets (Tangible and intangible assets)

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

1.12 Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The company did not have any potentially dilutive securities in any of the periods presented.

1.13 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

BSE Institute of Research Development & Innovation
Explanatory Notes forming part of the Financial Statements

1.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.15 Contingent Liability & Capital Commitment (to the extent not provided for)

There is no Contingent Liability & Capital Commitment as on 31st March 2020

1.16 Going Concern Assumption:

Though more than 50% of net worth of the Company has eroded, the Company's financial statements have been prepared on the basis of going concern in view of comfort received from the parent company to the effect that they will continue to support the Company technically and financially.

1.17 Related Party Transaction

List of Related Party

S. No	Name of Related Party	Relationships
1	BSE Institute Limited	Holding Company

Significant Transactions with Related Parties

Name	
BSE Institute Limited	
Particulars	For year ended 31 st March 2020
Interest Expense on ICD	33,361
Liabilities	As at 31 st March 2020
Inter Corporate Deposit (incl. Interest on Intercorporate Deposit)	60,30,025
Trade Payables	5,151

1.18 Financial Instrument Risk Management

The Company has developed and implemented a risk management framework for Identification of elements of risk, which in the opinion of the Board may threaten the existence of the Company.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of

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financial markets and seek to minimize potential adverse effects on its financial performance.

Market Risk

Our business relies on the quality of the education services provided by us and our visibility and perception amongst students and other stakeholders. It is important that we retain the trust placed by our students and their parents, guardians and participants on our result oriented approach which has been built over the years.

The Company evaluates its Course offerings and upgrades them on an ongoing basis to meet the latest financial markets and regulatory changes.

Risk evaluation and management is an ongoing process within the organization. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

Credit Risk

Credit risk is the risk that one party to a financial asset will fail to discharge an obligation and cause the other party to incur a financial loss.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables is Nil as of March 31, 2020 and Trade receivables are typically unsecured and are derived from revenue earned from customers.

Liquidity risk

The Company is the cash-generating company. The Company, as a policy, does not prefer to invest its surplus cash in high risk assets such as equities or low liquidity assets like real estate. The primary area of risk for the Company's market exposures are related to the interest rate risk on its investment securities. To mitigate interest rate risk, all surplus funds are invested in appropriate avenues upon a review by the investment committee. All investment decisions are driven by certain guiding principles including the safety of investments, liquidity, and returns. Further, the Audit Committee of the Company reviews performance of the treasury operations on quarter to quarter basis and gives its recommendations to the Board. This further strengthen the process of investment and mitigate gaps.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements and to accelerate the growth. Accordingly, no liquidity risk is perceived.

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Further, we may also face other risks and uncertainties which may include:

1. Demand risk for its courses and other offerings; this is also linked to availability of jobs in financials sectors;
2. Funding anticipated to be deployed towards the cost of the new Centres or Courses not being available;
3. Cost overruns primarily due to sudden increase in lease rentals of the preferred location of the Centres or increase in fee for the faculty members or inflation;
4. Difficulties in recruiting, training and retaining sufficient skilled faculty members and technical, advertising and management personnel;
5. Inability to or difficulty in fulfilling students, participants expectations or aspirations;
6. Human resource risks – availability of capable manpower within Budget
7. Inability to develop adequate internal administrative functions and systems and controls; Further, failure to update and expand the Courses offered and study material to suit the requirements of students in a timely manner may have an impact on the enrolments.
8. Regulatory overhaul by taking away existing certification requirements.

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Categories of Financial Instruments

Particulars	Carrying Value	Fair Value
	March 31, 2020	March 31, 2020
i) Financial assets		
a) Measured at Amortised Cost		
Investment in debt instruments	--	--
Trade receivable	--	--
Cash and cash equivalents	48,33,806	48,33,806
Bank Balances other than Cash and cash Equivalents	--	--
Loans	--	--
Other financial assets	--	--
b) Measured at Fair Value through profit or loss (FVTPL)		
Investment in Mutual Funds	--	--
Investment in Equity shares	--	--
Total Financial assets	48,33,806	48,33,806
ii) Financial Liabilities		
a) Measured at Amortised Cost		
Borrowings	60,30,025	60,30,025
Trade payables	5,151	5,151
Other financial liabilities	--	--
Total Financial Liabilities	60,35,176	60,35,176

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The following table presents fair value hierarchy of assets as at 31st March 2020:

Particulars	Fair Value	Fair Value Hierarchy
	March 31,2020	
i) Financial assets		
a) Measured at Amortised Cost		
Investment in debt instruments	--	Level 1
Trade receivable	--	Level 3
Cash and cash equivalents	48,33,806	Level 1
Bank Balances other than Cash and cash Equivalents	--	Level 2
Loans	--	Level 3
Other financial assets	--	Level 3
b) Measured at Fair Value through profit or loss (FVTPL)		
Investment in Mutual Funds	--	Level 1
Investment in Equity shares	--	Level 3
Total Financial assets	48,33,806	
ii) Financial Liabilities		
a) Measured at Amortised Cost		
Borrowings	60,30,025	Level 3
Trade payables	5,151	Level 3
Other financial liabilities	--	Level 3
Total Financial Liabilities	60,35,176	

1.19 Earnings per Share:

Particulars	For the year Ended 31 st March 2020
Profit after tax	Nil
Weighted average number of Equity shares used in computing Basic and Diluted earnings per share (Nos.)	10,000
Face Value of equity shares (Re.)	10
Basic and Diluted earnings per share (Rs)	Nil

1.20 In view of recent Covid-19 pandemic and the resultant country-wide lockdown, though business of the company is likely to be affected due to the delay in AICTE approval, delay in academic results and recruitment of new employees by the industry, the company has taken internal steps and see no significant impact of the same.

1.21 The financial statements were approved for issue by the board of directors in their meeting held on 19th May, 2020.