

FINANCIAL BENCHMARKS INDIA PRIVATE LIMITED

NOTE “7”

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. Company overview

Financial Benchmarks India Private Limited (FBIL) was jointly formed by Fixed Income Money Market & Derivatives Association of India (FIMMDA), Foreign Exchange Dealers' Association of India (FEDAI) and Indian Banks' Association (IBA). FBIL was incorporated in December 2014 and has commenced operations in February 2015.

2. Basis of Accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (“GAAP”) and in compliance with the Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006 read with Rule 7(1) of Companies (Accounts) Rule, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013.

Further, the company is a Small and Medium Sized Company (SMC) as defined in the General Rules 2006. Accordingly, the company has complied with the Accounting Standards as applicable to SMC only for the items which are material in nature.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year except stated specifically in the notes, if any.

3. Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards as applicable to SMC and of material nature. Further, since the company has incorporated in December 2014 and not yet started its

revenue generation activities the disclosure on accounting policies are disclosed to the extent it is relevant material and applicable.

4. Significant Accounting Policies:

- (i) Fixed Assets are stated at cost less accumulated depreciation.
 - (ii) Depreciation on assets has been provided based on useful life prescribed in Schedule II of the Companies Act, 2013 on straight line basis.
 - (iii) Expenses are accounted on accrual basis and provisions are made for all known expenses, losses and liabilities.
 - (iv) Tax on income is determined on taxable income, if any, based on the Income Tax Act, 1961.
 - (v) Earnings per share (EPS) has been calculated as per Accounting Standards by dividing the net loss by weighted average number of equity shares.
 - (vi) Interest on Fixed Deposit investment is accounted on accrual basis.
 - (vii) Grant from RBI is accounted following the provisions of Accounting Standard (AS) 12 – Accounting for Government Grants, since RBI is a government agency. Accordingly, the grant amount is sequentially recognised in the statement of Profit and Loss in a systematic and rational manner over a number of years so that it matches the eligible costs/expenses for the relevant year. The period over which the Company recognises the eligible costs/expenses related to the grant are readily ascertainable and thus the grant utilised towards eligible costs/expenses is shown as income for the same period. The portion of the grant that has been used for acquisition of fixed assets has been shown in the balance sheet as on that date as a deduction from the gross value/carrying cost of the fixed assets in question, to derive the latter's net book value.
5. During the year, the Company received a grant of support from RBI amounting to Rs. 3.50 crores. The amount is required to be utilised for meeting the actual expenditure during the initial development period of the Company and unspent amount to be refunded to RBI. The unspent amount of Rs. 3.29 crores is retained by the Company, as per specific permission of RBI, vide its letter dated March 31, 2017 in this regard for meeting future expenditure. As such, this amount is carried forward to next year as per the terms of the grant and is recognised under Current Liabilities. The Grant received has been adjusted as follows based on intended/directed purpose:
- i) Acquisition of Fixed Assets Rs.6,989/-
 - ii) Adjustments to the carrying value of Fixed Assets of Rs.76,599/-
 - iii) Current year's net expenses amounting to Rs.20,03,462/-
6. According to the amendment to Schedule III of the Companies Act 2013, the Company had NIL Specified Bank Notes (SBN) held during the period from November 8, 2016 to December 30, 2016.
7. There was no expenditure or income or remittance in foreign currency during the year.

8. Previous year's figures are regrouped, reclassified and rearranged wherever necessary.
9. As on the Balance Sheet date, there was no amount exceeding Rs.1 lac, due to any Small-Scale Industrial undertaking, outstanding for more than 30 days

As per our report of even date attached
For and on behalf of the Board of Directors
Financial Benchmarks India Private Ltd.

Usha Thorat
Chairperson

D.V.S.S.V. Prasad
Director

Ashwani Sindhvani
Director

B.Raj Kumar
Director

C.E.S. Azariah
Director

Himadri Bhattacharya
Director

For M.P.Chitale & Co.
Chartered Accountants,
Firm Rgn No.101851W

Anagha Thatte
Partner
Membership No.105525.
Place: Mumbai
Date: