

R Kothari & Co LLP

CHARTERED ACCOUNTANTS

KOLKATA, NEW DELHI

Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results as on 31st March, 2020 of Deeplok Financial Services Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO

THE BOARD OF DIRECTORS OF

DEEPLOK FINANCIAL SERVICES LIMITED

We have audited the accompanying Standalone quarterly financial results of **Deeplok Financial Services Limited** for the quarter ended 31st March, 2020 and the year to date results for the period 1st April, 2019 to 31st March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 for Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

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R Kothari & Co (a partnership firm with FRN-307069E) converted into R Kothari & Co LLP, (a Limited Liability Partnership with LLP Identification No.AAS-5294 w.e.f 3rd June,2020)



- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. give true and fair view of the net loss and other financial information for the quarter ended **31st March, 2020** as well as the year to date results for the period from **1st April, 2019 to 31st March, 2020**.

Emphasis of Matter

We draw your attention to Note No. 8 to the accompanying statement which describes the uncertainties related to COVID-19 pandemic outbreak on the company's operations and the management's assessment of its financial impact on the accompanying statement as at 31st March, 2020, the impact of which is dependent on future developments.

Our opinion is not qualified in respect of this matter.



For R.Kothari & Co LLP
Chartered Accountants
Firm Registration No. : 307069E

CA Kailash Chandra Soni
Partner
Membership Number: 057620

Place: Kolkata

Date: 30.07.2020

UDIN: 20057620AAAAEF9634

DEEPLOK FINANCIAL SERVICES LIMITED
CIN: L17115WB1981PLC033469
REGD. OFFICE: IDEAL PLAZA 11/1SARAT BOSE ROAD, KOLKATA - 700 020

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2020

[Amount in Rs. Lacs]

SL. NO.	PARTICULARS	Quarter Ended				
		Quarter Ended			Year Ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from Operations	83.33	121.37	223.26	404.44	365.24
2	Other Income	78.19	56.85	1,204.94	21.17	1,808.95
3	Total Income (1 + 2)	161.52	178.22	1,428.20	425.61	2,174.19
4	Expenses					
a)	Purchase of Shares	-	-	-	57.28	-
b)	Net (Increase)/Decrease in Stock	0.97	32.74	-	(0.24)	-
c)	Employee benefit expenses	14.97	11.59	21.80	49.68	25.75
d)	Depreciation and amortisation expenses	0.71	0.71	3.08	2.86	4.10
e)	Other expenses	12.16	4.46	11.81	25.45	28.92
	Total Expenses	28.81	49.50	36.69	135.03	58.78
5	Profit before Exceptional Items and tax (3 - 4)	132.71	128.72	1,391.51	290.58	2,115.42
6	Exceptional Items	-	-	-	400.57	-
7	Profit before tax (5 - 6)	132.71	128.72	1,391.51	(109.99)	2,115.42
8	Tax Expense					
a)	Current Tax	16.05	32.30	74.04	100.75	87.03
b)	Tax Adjustment for earlier years	-	9.65	-	9.65	(2.36)
	Total Tax Expenses	16.05	41.95	74.04	110.39	84.66
9	Net profit for the period (7 - 8)	116.66	86.77	1,317.47	(220.39)	2,030.76
10	Other comprehensive income, net of income tax					
a)	i) item that will not be reclassified to profit or loss	(205.03)	-	-	(205.03)	70.98
	ii) Income tax relating to items that will not be reclassified to profit or loss	12.50	-	-	12.50	(9.38)
b)	i) item that will be reclassified to profit or loss	-	-	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of income tax	(192.54)	-	-	(192.54)	61.59
11	Total comprehensive income for the period (9+10)	(75.87)	86.77	1,317.47	(412.92)	2,092.35
12	Paid-up equity share capital (Face value Rs. 10 each)	95.26	95.26	95.26	95.26	95.26
13	Earnings per share (of Rs. 10 each) (not annualised)					
a)	Basic (in Rs.)	(7.96)	9.11	138.30	(43.35)	219.65
b)	Diluted (in Rs.)	(7.96)	9.11	138.30	(43.35)	219.65



Place: Kolkata
Date: 30.07.2020

On behalf of the Board
For Deeplok Financial Services Limited

Surendra Kumar Bachhawat
Surendra Kumar Bachhawat
(Managing Director)
DIN : 00129471

DEEPLOK FINANCIAL SERVICES LIMITED

CIN: L17115WB1981PLC033469

REGD. OFFICE: IDEAL PLAZA 11/SARAT BOSE ROAD, KOLKATA - 700 020

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Amount in Rs. lacs)

	PARTICULARS	AS AT 31.03.2020 (AUDITED)	AS AT 31.03.2019 (AUDITED)	AS AT 01.04.2018 (AUDITED)
I	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	1,211.68	79.07	40.48
(b)	Loans	2,215.18	2,459.02	984.11
(c)	Investments	3,099.06	4,378.21	3,766.83
(d)	Other Financial assets	12.37	14.01	13.33
		6,538.29	6,930.32	4,804.75
(2)	Non-financial Assets			
(a)	Inventories	0.24	-	-
(b)	Current tax assets (Net)	13.73	9.43	4.06
(c)	Deferred Tax Asset (Net)	1.42	20.24	50.23
(d)	Property, Plant and Equipment	8.77	11.63	15.73
		24.17	41.30	70.02
	Total Assets	6,562.46	6,971.63	4,874.77
II	LIABILITIES AND EQUITY			
A	LIABILITIES			
(1)	Non Financial Liabilities			
(a)	Provisions	5.54	6.15	2.45
(b)	Other non-financial liabilities	5.97	1.61	0.80
		11.51	7.76	3.26
B	EQUITY			
(a)	Equity Share capital	95.26	95.26	95.26
(b)	Other Equity	6,455.69	6,868.61	4,776.26
		6,550.94	6,963.87	4,871.52
	Total Liabilities and Equity	6,562.46	6,971.63	4,874.77



Place: Kolkata
Date: 30.07.2020

On behalf of the Board
For Deeplok Financial Services Limited

Surendra Kumar Bachhawat
Surendra Kumar Bachhawat
(Managing Director)
DIN : 00129471

Deeplok Financial Services Limited
CIN: L17115WB1981PLC033469
Registered Office :
11/1, SARAT BOSE ROAD, SOUTH BLOCK, 2ND FLOOR, KOLKATA WB 700020

AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,			
2020			
		Amount in Rs. Lacs	
		31st March, 2020	31st March, 2019
A	<u>CASH FLOW FROM OPERATION ACTIVITIES</u>		
	Net Profit before tax	(109.99)	2,115.42
	Adjustment for:		
	Depreciation	2.86	4.10
	Provisions for standard and sub standard assets	(0.61)	3.69
	Net Changes in Fair Market Value	(27.28)	(26.67)
	(Profit)/Loss on Sale of Investment	66.94	(59.36)
	Dividend Income	(140.34)	(1,766.39)
	Operating Profit/Loss before Working Capital Changes	(208.42)	270.79
	Adjustments for Changes in Working Capital		
	(Increase)/Decrease in Other Financial Asset and other assets	1.64	(0.68)
	(Increase)/Decrease in Inventory	(0.24)	-
	Increase/(Decrease) in Sundry Creditors/Current Liabilities	4.36	0.81
	Changes in Working Capital	5.76	0.13
	Cash(used in)/ generated from operating activities	(202.66)	270.92
	Income Tax Payments	83.38	69.43
	Net Cash(used in)/ from Operating Activities	(286.03)	201.49
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Loan Disbursed, Recd.& Repayment recd.(net)	243.84	(1,474.91)
	(Purchase) / Sale of Non-Current Investments (net)	1,034.46	(454.38)
	Dividend Received	140.34	1,766.39
	Net Cash(used in)/ from Investing Activities	1,418.64	(162.89)
C	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	Net Cash(used in)/from Financing Activities	-	-
	Net increase in cash and cash equivalents	1,132.60	38.60
	Opening Cash and Cash equivalents	79.07	40.48
	Closing Cash and Cash equivalents	1,211.68	79.07



Place: Kolkata
Date: 30.07.2020

On behalf of the Board
For Deeplok Financial Services Limited

Surendra Kumar Bachhawat
Surendra Kumar Bachhawat
(Managing Director)
DIN : 00129471

Notes:

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30.07.2020
- 2) The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which has been subjected to limited review by statutory auditors. Published year to date figures up to the end of third quarter of the current and previous financial year were recasted to confirm to the presentation requirement of division III of Schedule III of the Companies Act 2013.
- 3) The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, from 1st April 2019 and the effective date of such transition is 1st April 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1st April 2018 and the corresponding adjustments pertaining to comparative previous years/ quarters as presented in these financial result have been restated/reclassified in order to confirm to current year/ period presentation.
- 4) The Company has principal investments of Rs.400.57 lacs in the Preference shares of Infrastructure Leasing & Financial Services Limited which are accounted at fair value through Profit or loss as per Ind AS 109 - Financial Instrument. The company (IL & FS Ltd.) is classified as Red Entities by Resolution Consultant of Infrastructure Leasing & Financial Services Limited. Accordingly, the company has made provision for fair value loss of Rs. 400.57 lacs during the year ended 31.03.2020 and the same has been shown as exceptional item.
- 5) The Statutory Auditors have audited the financial statements for the year ended 31st March 2020 and have issued an unqualified opinion thereon. The information presented above is an extract from the audited financial statements as stated.
- 6) The Company's primary activity is Investment in shares and Securities and as such no separate information is required to be furnished in terms of Indian Accounting Standard -108, Operating Segments prescribed under Sec 133 of the Companies Act, 2013
- 7) There were no undisputed investor complaints that were unresolved as on 31st March, 2020 the company has not received any investors complaint during the quarter under review.
- 8) COVID-19, a global pandemic has resulted in a significant decrease in the economic activities across the world including India, an account of lockdown announced on 23rd March, 2020. This has affected activities of organisations across the economic ecosystem impacting earnings prospects and valuations of Companies, which has created huge volatility in stock markets, in which the company operates. As a result, the company's business is impacted by decline in carrying value of investments and thus profitability. The management is continuously focussing on company's capital and liquidity position, which remain strong. There have been no changes to the company's internal financial control during this pandemic. The management has carried out current assessment of the potential impact of Covid-19 on the company and is of the view that the company is well capitalised with low leverage, widely diversified investment activities and has adequate liquidity to sustain its operations and look for appropriate investment opportunities. The impact assessment is continuous process and will continue to monitor for any material changes to the future economic conditions.
- 9) As required by paragraph 32 of Ind AS, the net profit reconciliation is as under previous GAAP and Ind AS for the year ended 31st March 2019 as prescribed below-

Particulars	Amount in Rs lacs.
	Year ended 31st March, 2019
Profit after tax as reported under previous GAAP	2,018.50
Add/(Less) - Effect of transition to Ind AS	
i) Net Change in Fair Value of Investment	26.67
ii) Others	(16.80)
iii) Tax effect on above	2.38
Profit after tax	2,030.76
Other Comprehensive Income / (loss) (net of tax)	61.59
Total Comprehensive Income	2,092.35

- 10) As required in para 32 of Ind AS 101, the equity reconciliation reported under previous GAAP and Ind AS for the year ended 31st March 2019 as prescribed below-

Particulars	Amount in Rs lacs.
	As at 31st March, 2019
Equity as reported under Previous GAAP	6,741.70
Add/(Less) - Effect of transition to Ind AS	
i) Net Change in Fair Value of Investment recognised in Other comprehensive Income	198.23
ii) Net Change in Fair Value of Investment recognised in Statement of Profit & Loss	52.45
iii) Other Adjustments	(16.80)
iv) Tax effect on above	(11.72)
Equity as reported under Ind AS	6,963.87



Place: Kolkata
Date: 30.07.2020

On behalf of the Board
For Deeplok Financial Services Limited

Surendra Kumar Bachhawat
Surendra Kumar Bachhawat
(Managing Director)

DIN : 00129471