

Independent Auditor's Report

To the Members of

MICROSEC INSURANCE BROKERS LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **MICROSEC INSURANCE BROKERS LIMITED** ('the Company'), which comprise the balance sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 and presentation of these standalone 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.



AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidences about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 31st March 2016 and its **LOSS** and its cash flows for the year ended on that date.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 the Annexure A, a statement on the matters specified in the paragraph 3 and 4 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 accounts 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 accounts;

 - d. In our opinion, the aforesaid standalone 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 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



- 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:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. However the Company does not have any ongoing long-term contracts including derivative contracts as on the Balance sheet date.
 - c. There are no such amounts appearing in the books which are required to be transferred to the Investor Education and Protection Fund by the Company.



For MAROTI & ASSOCIATES
Chartered Accountants
Firm Registration No. 322770E

Surana

(CA. KOMAL SURANA)
Partner
Membership Number 303583

Place - Kolkata
Date -- 21st May, 2016

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company. Accordingly, this clause is not applicable.
2. The Company had no inventories during the year, thus, paragraph 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee(s) or provided any security for loan taken by third party.
5. The Company has not accepted any deposits from the public. Accordingly, the Directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the company for the year under audit.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Accordingly, this clause is not applicable.



7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31,2016 for a period of more than six months from the date of becoming payable except the followings

SL. NO.	Nature of Dues	Amount Due in (Rs)	Forum where Pending	For which Assessment Year.
1	Income tax Demand	7,56,120/-	Commissioner of Income tax	2010-2011

- b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. 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, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration hence Accordingly, paragraph 3 (xi) of the Order is not applicable .
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. 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 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give 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.
15. 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, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



For MAROTI & ASSOCIATES
Chartered Accountants
Firm Registration No. 322770E

Kumana

(CA. KOMAL SURANA)
Partner

Membership Number 303583

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **MICROSEC INSURANCE BROKERS LIMITED** ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable



to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



MAROTI & ASSOCIATES

Chartered Accountants

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E-mail : mkmaroti@gmail.com

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For MAROTI & ASSOCIATES
Chartered Accountants
Firm Registration No. 322770E

Komal Surana

(CA. KOMAL SURANA)
Partner
Membership Number 303583

Place - Kolkata
Date - 21st May, 2016



BALANCE SHEET AS AT 31ST MARCH, 2016

	Notes	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	51,60,600	51,60,600
(b) Reserves and Surplus	4	75,39,743	82,96,161
(2) Current Liabilities			
(a) Trade Payables	5		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,17,685	72,097
(b) Other Current Liabilities	6	50,525	1,10,958
		1,28,68,553	1,36,39,816
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible Assets		48,397	55,817
(ii) Intangible Assets		-	-
(b) Long Term Loans and Advances	8	92,82,000	92,19,653
(c) Other Non Current Assets	9	13,00,431	12,02,677
(2) Current Assets			
(a) Trade Receivables	10	1,71,826	2,16,656
(b) Cash and Bank Balances	11	2,71,878	9,15,157
(c) Short Term Loans and Advances	8	17,94,021	20,29,856
		1,28,68,553	1,36,39,816

Summary of Significant Accounting Policies

2

The accompanying notes are integral part of the financial statements
 As per our report of even date

For Maroti & Associates
 Firm Registration No: 322770E
 Chartered Accountants

Komal Surana

Komal Surana
 Partner
 Membership No. 303583



For and on behalf of the Board of Directors

B.L. Mittal

B.L. Mittal
 Director
 DIN:00365809

Ravi Kant Sharma

Ravi Kant Sharma
 Director
 DIN:00364066

Place: Kolkata
 Date: 21st May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Notes	2015-16	2014-15
		Rs.	Rs.
I. Revenue form Operations	12	10,88,592	15,20,321
II. Other Income	13	3,66,032	1,84,759
III. Total Revenue		14,54,624	17,05,080
IV. EXPENSES:			
Employees Benefit Expenses	14	17,73,601	23,99,073
Depreciation and Amortization Expenses	15	7,420	60,164
Other Expenses	16	3,42,273	1,92,075
Total Expenses		21,23,294	26,51,312
V. LOSS BEFORE TAX		(6,68,670)	(9,46,232)
VI. Tax Expenses			
- Current Tax		-	-
- Provision for taxation of earlier years		87,748	-
- Deferred Tax		-	-
		87,748	-
VII. LOSS FOR THE YEAR		(7,56,418)	(9,46,232)
VII. Earnings Per Equity Share			
Basic and Diluted (Face Value per Share Rs. 10 each)(in Rs.)	17	(1.47)	(1.83)

Summary of Significant Accounting Policies

2

The accompanying notes are integral part of the financial statements

As per our report of even date

For Maroti & Associates
 Firm Registration No: 322770E
 Chartered Accountants

For and on behalf of the Board of Directors

Komal Surana



B.L. Mittal

Ravi Kant Sharma

Komal Surana
 Partner
 Membership No. 303583

B.L. Mittal
 Director
 DIN:00365809

Ravi Kant Sharma
 Director
 DIN:00364066

Place: Kolkata
 Date: 21st May, 2016

Cash Flow Statement for the year ended 31st March, 2016

Particulars	2015-16 (Rs.)	2014-15 (Rs.)
A. Cash Flow from Operating Activities		
Loss before tax	(6,68,670)	(9,46,232)
Adjustments for :-		
Depreciation and Amortization expense	7,420	60,164
Interest on Fixed Deposits and others	(1,43,742)	(1,84,759)
Provision for gratuity	-	7,434
Irrecoverable debts/advances written off	1,02,215	581
Loss on sale of fixed assets	-	4,045
Operating Profit/(Loss) before working capital changes	(7,02,777)	(10,58,767)
(Increase)/Decrease in Trade Receivables	(57,385)	42,880
Increase in Long Term Loans and Advances	(62,347)	(16,526)
Increase in Short Term Loans and Advances	(2,10,227)	(1,495)
Increase/(Decrease) in Trade payables	45,588	(1,34,010)
Decrease in Other Current Liabilities	(60,433)	(1,84,141)
Cash from/(used in) from operations	(10,47,581)	(13,52,059)
Direct Taxes Paid (net)	3,93,441	11,50,437
Net cash from/(used in) from Operating Activities	(6,54,140)	(2,01,622)
B. Cash Flow from Investing Activities		
Encashment of Fixed Deposits	-	10,00,000
Interest on fixed deposits and others	10,861	1,04,410
Net cash from/(used in) from Investing Activities	10,861	11,04,410
Net Change in Cash and Cash equivalents (A+B)	(6,43,279)	9,02,788
Cash and Cash equivalents- Opening Balance *	9,15,157	12,369
Cash and Cash equivalents-Closing Balance *	2,71,878	9,15,157

* Represents Cash and Bank Balances as indicated in Note No. 11 and excludes Rs. Nil (Rs. Nil) being bank balances with restricted use or with original maturity of more than three months.

As per our report of even date

For Maroti & associates
Chartered Accountants
Firm Registration number : 322770E

For and on behalf of the Board of Directors

Komal Surana

Komal Surana
Partner
Membership No. 303583



B. L. Mittal

B. L. Mittal
Director
DIN:00365809

Ravi Kant Sharma

Ravi Kant Sharma
Director
DIN:00364066

Place : Kolkata
Date: 21st May, 2016

Notes to Financial Statements as at and for the year ended 31st March, 2016

1 BASIS OF 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). The company has prepared these financial statements in all material aspect with the accounting standard notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the company, are consistent with those used in the previous year.

2 Summary of Significant Accounting Policies:

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Insurance Broking Activities

Commission on insurance policies sold is recognized, when an insurance policy sold by the Company is accepted by the principal insurance company.

Interest

Interest from fixed deposits and bonds is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

iv) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

v) Depreciation and Amortization on Tangible and Intangible Fixed Assets

a. Depreciation on fixed assets is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II of the Companies Act, 2013.

b. Depreciation on Fixed Assets added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.

c. Computer softwares are amortized on straight line basis over a period of three years from the date the assets become available for use.



Notes to Financial Statements as at and for the year ended 31st March, 2016

vi) Impairment of Tangible & Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation, amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortization if there was no impairment.

vii) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investment are made are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

viii) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the company recognizes the unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized.



Notes to Financial Statements as at and for the year ended 31st March, 2016

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

ix) Retirement and other employees benefits

a. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

b. Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains / losses are recognised in full in the period in which they occur in the statement of profit and loss. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

c. Short term compensated absences are provided for based on estimates.

x) Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

xi) Cash and Cash Equivalents

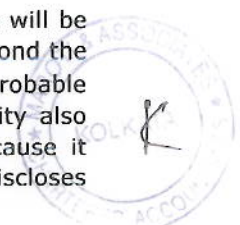
Cash and cash equivalents in the cash flow statement comprise of Cash at Bank and Cash/Cheque on hand and fixed deposits with an original maturity of three months or less.

xii) Provisions

A Provisions is recognized when the company has a present obligation as a result of past event, it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

xiii) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED 31ST MARCH, 2016

	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
3: SHARE CAPITAL		
Authorised		
5,20,000 (5,20,000) Equity Shares of Rs. 10 each	52,00,000	52,00,000
Issued, Subscribed and Paid-up		
5,16,060 (5,16,060) Equity Shares of Rs. 10 each, fully paid up	51,60,600	51,60,600

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	31st March, 2016		31st March, 2015	
	Nos.	Rs.	Nos.	Rs.
Outstanding at the beginning and at the end of the year	5,16,060	51,60,600	5,16,060	51,60,600

(b) Terms / Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Shareholders are entitled to dividends which the Board of Directors may propose, after distribution of preferential amounts, if any, subject to the approval of the shareholders at the general meetings.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31.03.2016		As at 31.03.2015	
	No of Shares	% of holding	No. of Shares	% of holding
Microsec Capital Limited, Holding Company and its nominees	5,16,060	100%	5,16,060	100%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents beneficial ownership of shares.





NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED 31ST MARCH, 2016

	As At 31.03.2016 Rs.	As At 31.03.2015 Rs.
4: RESERVE AND SURPLUS		
Securities Premium Account	(A) 52,20,400	52,20,400
Surplus in the Statement of Profit and Loss		
As per last Account	30,75,761	40,89,845
Add: Loss for the year	(7,56,418)	(9,46,232)
Less: Transitional Provision for depreciation under the Companies Act, 2013	-	(67,852)
	(B) 23,19,343	30,75,761
	(A+B) 75,39,743	82,96,161
5: TRADE PAYABLES		
Due to Micro and Small Enterprises*	-	-
Due to Others	1,17,685	72,097
	1,17,685	72,097
*Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures thereof are made in these financial Statements.		
6: OTHER CURRENT LIABILITIES		
Statutory Dues Payable	6,241	66,188
Other Payables	44,284	44,770
	50,525	1,10,958



MICROSEC INSURANCE BROKERS LIMITED
Corporate Identification No. (CIN) - U67200WB2002PLC095275
Shivam Chambers, 1st Floor, 53, Syed Amir Ali Avenue
KOLKATA - 700 019



Notes to Financial Statements as at and for the Year ended 31st March, 2016

7. FIXED ASSETS :

(i) Tangible Assets

(Amount in Rs.)

Particulars	Computers	Furniture and Fixtures	Office Equipments	Total
Gross Block				
At April 1, 2014	9,33,570	17,686	3,37,119	12,88,375
Additions	-	-	-	-
Disposals	2,97,408	-	-	2,97,408
At March 31, 2015	6,36,162	17,686	3,37,119	9,90,967
Additions	-	-	-	-
Disposals	-	-	-	-
At March 31, 2016	6,36,162	17,686	3,37,119	9,90,967
Depreciation				
At April 1, 2014	8,67,352	10,952	2,53,149	11,31,453
Impact of Transitional Provision for depreciation under the Companies Act, 2013	30,719	-	37,133	67,852
Charge For the Year	-	2,218	26,990	29,208
Disposals	2,93,363	-	-	2,93,363
At March 31, 2015	6,04,708	13,170	3,17,272	9,35,150
Charge For the Year	-	1,487	5,933	7,420
Disposals	-	-	-	-
At March 31, 2016	6,04,708	14,657	3,23,205	9,42,570
Net Block				
At March 31, 2015	31,454	4,516	19,847	55,817
At March 31, 2016	31,454	3,029	13,914	48,397

(ii) Intangible Assets

Particulars	Computer Software	Total
Gross Block		
At April 1, 2014	4,12,471	4,12,471
Purchase	-	-
Disposals	-	-
At March 31, 2015	4,12,471	4,12,471
Purchase	-	-
Disposals	-	-
At March 31, 2016	4,12,471	4,12,471
Amortization		
At April 1, 2014	3,81,515	3,81,515
Charge For the Year	30,956	30,956
Disposals	-	-
At March 31, 2015	4,12,471	4,12,471
Charge For the Year	-	-
Disposals	-	-
At March 31, 2016	4,12,471	4,12,471
Net Block		
At March 31, 2015	-	-
At March 31, 2016	-	-



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED 31ST MARCH, 2016

8: LOANS AND ADVANCES

(Unsecured, Considered good)

	Non Current		Current	
	As at -	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.
Capital Advances [Refer Note 22]	92,82,000	91,94,383	-	-
Deposits with Government Authorities and others	-	25,270	14,042	14,444
Gratuity [Refer Note 19]	-	-	3,91,057	1,68,767
Advances recoverable in cash or kind	-	-	9,556	22,283
Prepaid Expenses	-	-	1,066	-
Advance Income Tax and Tax Deducted at Source [Net of Provisions of Rs. 12,47,206 (Rs. 12,47,206)]	-	-	13,78,300	18,24,362
	92,82,000	92,19,653	17,94,021	20,29,856

9: OTHER NON CURRENT ASSETS

	Non Current	
	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.
Non Current Bank Balances [Refer Note 11]	11,00,000	11,00,000
Accrued Interest on Fixed Deposits	2,00,431	1,02,677
	13,00,431	12,02,677

10: TRADE RECEIVABLES

(Unsecured, Considered good, unless otherwise stated)

	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.
Outstanding for a period exceeding six months from the day they become due for payment	2,625	78,459
Other receivables	1,69,201	1,38,197
	1,71,826	2,16,656

11: CASH AND BANK BALANCES

	Non Current		Current	
	As at -	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.
(i) Cash and Cash Equivalents				
Cash on hand	-	-	4,655	3,279
Balances with Scheduled Banks				
-On Current Accounts	-	-	2,67,223	9,11,878
	-	-	2,71,878	9,15,157
(ii) Other Bank Balances [Refer Note 18]				
-Fixed Deposits with original maturity for more than 12 months	11,00,000	11,00,000	-	-
-Amount disclosed under non current assets [Refer Note 9]	(11,00,000)	(11,00,000)	-	-
	-	-	-	-
	-	-	2,71,878	9,15,157

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED 31ST MARCH, 2016

	2015-16	2014-15
	Rs.	Rs.
12: REVENUE FROM OPERATIONS		
Insurance Brokerage and Fees	10,88,592	15,20,321
	10,88,592	15,20,321
13: OTHER INCOME		
Interest Income		
-On Fixed Deposits	1,08,615	88,241
-On Income Tax Refunds	35,127	96,518
Gratuity Provision no longer required written back	2,22,290	-
	3,66,032	1,84,759
14: EMPLOYEES BENEFIT EXPENSES		
Salary, Bonus etc.	16,46,274	22,00,260
Gratuity	-	7,434
Contribution to Employees' Provident Fund	1,08,778	1,45,379
Staff Welfare expenses	18,549	46,000
	17,73,601	23,99,073
15: DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation of tangible assets	7,420	29,208
Amortization of intangible assets	-	30,956
	7,420	60,164
16: OTHER EXPENSES		
Auditor's Remuneration		
- As Audit Fees	25,125	25,000
Communication expenses	11,090	16,407
Insurance Premium	4,142	7,208
Irrecoverable Debts/Advances Written off	1,02,215	581
Legal and Professional fees	81,296	55,562
License and Statutory Fees	25,000	26,000
Loss on sale /discard of Fixed Assets (net)	-	4,045
Membership Expenses	15,000	15,000
Postage and Courier Expenses	7,798	2,677
Printing and stationery	4,737	2,655
Rates and Taxes	4,400	4,400
Travelling and Conveyance	30,672	21,149
Miscellaneous Expenses	30,798	11,391
	3,42,273	1,92,075
17: EARNINGS PER SHARE (EPS)		
Basis for Calculation for Basic & Diluted Earnings Per Share is as under :		
Profit/(Loss) after tax	(7,56,418)	(9,46,232)
Weighted Average Number of Equity Shares (Nos.)	5,16,060	5,16,060
Nominal Value of Equity Share (Rs.)	10	10
Basic and Diluted Earnings per Share (Rs.)	(1.47)	(1.83)

Notes to Financial Statement as at and for the year ended 31st March, 2016

18 (a) Fixed Deposit with bank aggregating to Rs. 11,00,000 (Rs. 11,00,000) is pledged as follows :

Pledged / Lien with	(Amount in Rs.)	
	As at 31.03.2016	As at 31.03.2015
Insurance Regulatory and Development Authority (IRDA)	11,00,000	11,00,000

(b) Contingent Liability not provided for in respect of :

Income Tax Demand under appeal - Rs. 7,56,120 (Rs. 7,56,120). The Management Believe that the company has a good case for success in this matter and therefore no provision there against considered necessary.

19 Employee Benefits

The Company has a defined employee benefit plan in the form of gratuity. Every employee, who has completed five years or more of services, gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The gratuity scheme is entrusted with Life Insurance Corporation of India.

The following tables summaries the components of net benefit expenses recognised in the Profit & Loss Account and the funded status and amounts recognized in the balance sheet for the plan.

Particulars		2015-16 (Rs.)	2014-15 (Rs.)
(i)	Net Employee Expense /(benefit)		
	Current service cost	12,618	39,149
	Interest cost on benefit obligation	3,681	18,125
	Expected return on plan assets	(35,121)	(36,248)
	Net Actuarial gain /loss recognised for the year	20,762	(13,592)
	Settlement cost	2,24,230	-
	Total employer expense recognised in Profit and Loss Account	(2,22,290)	7,434
(ii)	Actual return on plan assets	39,463	36,249
(iii)	Benefit Asset/(Liability)		
	Defined benefit obligation	87,414	2,70,241
	Fair value of Plan Assets	4,78,471	4,39,008
	Benefit Asset/(Liability)	3,91,057	1,68,767
(iv)	Movement in benefit liability		
	Opening defined benefit obligation	2,70,241	2,26,558
	Interest cost	3,681	18,125
	Current service cost	12,618	39,149
	Settlement cost	2,24,230	-
	Actuarial (gains)/losses on obligation	25,104	(13,591)
	Closing benefit obligation	87,414	2,70,241
(v)	Movement in fair value of plan assets		
	Opening fair value of plan assets	4,39,008	4,02,759
	Expected Return of plan assets	35,121	36,248
	Contribution by employer	-	-
	Benefits paid	-	-
	Actuarial (gains)/losses on plan assets	4,342	1
	Closing fair value of plan assets	4,78,471	4,39,008

Notes to Financial Statement as at and for the year ended 31st March, 2016

Particulars		2015-16 (Rs.)	2014-15 (Rs.)			
(vi)	The major categories of plan assets as a percentage of the fair value of total plan assets					
	Investments with insurer	100%	100%			
(vii)	The principal actuarial assumptions are as follows					
	Discount rate	8%	8%			
	Salary Increase	6%	6%			
	Withdrawal rates	1%	1%			
(viii)	Amount incurred as expense for deferred contribution plan					
	Contribution to Employees Provident Fund	Rs. 1,08,778	Rs. 1,45,379			
(ix)	The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.					
(x)	The overall expected return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.					
(xi)	Amounts for the current year are as follows :					
	Gratuity	2015-16 (Rs.)	2014-15 (Rs.)	2013-14 (Rs.)	2012-13 (Rs.)	2011-12 (Rs.)
	Defined Benefit Obligation	87,414	2,70,241	2,26,558	1,91,948	1,89,319
	Plan Assets	4,78,471	4,39,008	4,02,759	3,70,353	3,39,307
	Surplus / (Deficit)	3,91,057	1,68,767	1,76,201	1,78,405	1,49,988
	Experience adjustments on plan liabilities	25,104	(56,930)	(50,669)	(1,05,718)	(1,04,270)
	Experience adjustments on plan assets	8,732	(1,006)	4,242	725	664
(xii)	The Company expects to contribute Rs. Nil (Rs. Nil) to Gratuity Fund in 2016-17.					

20 Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with related parties as defined in the Accounting Standards are given below :

(a) Name of the related parties and description of relationship

Related Parties where control exist

Holding Companies

Microsec Financial Services Limited (Ultimate Holding Company)

Microsec Capital Limited (Holding Company)



Notes to Financial Statement as at and for the year ended 31st March, 2016

- 21 The Company is primarily engaged in the business of insurance broking in India and has only a single reportable segment as per Accounting Standard 17 - "Segment reporting" notified by the Companies (Accounting Standard) Rules, 2006.
- 22 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - Rs. 10,80,693 (Rs. 10,80,693).
- 23 Previous Year's figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

In terms of our report of even date.

For Maroti & Associates
Firm Registration number : 322770E
Chartered Accountants

For and on behalf of Board of Directors

Komal Surana



Komal Surana
Partner
Membership No. 303583

Place : Kolkata
Date: 21st May, 2016

B.L. Mittal

B.L. Mittal
Director
DIN:00365809

Ravi Kant Sharma

Ravi Kant Sharma
Director
DIN:00364066