

Independent Auditor's Report on Special Purpose Financial Information

Prepared for facilitating the consolidation with the holding company

From: Singhi & Co. Chartered Accountants, Kolkata, India

Subject: Audit of financial statements for the purpose of consolidation with the holding company for the financial year ended on 31st March, 2018

To: Microsec Wealth Management Limited

This report is issued in accordance with the terms of request letter dated 20th April, 2018. We have audited the accompanying financial information of **Microsec Wealth Management Limited ('the Company')** prepared by management of the Company for the financial year ended 31st March, 2018, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information made by the management.

Management's responsibility for the Special Purpose Financial Information

The Company's Board of Directors is responsible for the special purpose preparation of these financial information that give a true and fair view of the financial position and financial performance of the Company in accordance with basis described in Note 1.4 of the special purpose financial information. This responsibility also includes maintenance of adequate accounting records for safeguarding 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 special purpose financial information that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial information are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statement give the information required by the management in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

This special purpose financial information has been prepared to enable the Holding Company i.e. Microsec Resources Private Limited to prepare the consolidated financial statements of the Group for the financial year ended 31st March, 2018. As a result, the special purpose financial information is not a complete set of financial statements of Microsec Wealth Management Limited and this report should not be treated as the statutory audit report under Indian legislations. The financial information may not be suitable for another purpose and should not be used for any other purpose .

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E



A handwritten signature in black ink, appearing to read 'Amit Agrawal'.

(Amit Agrawal)
Partner

Membership No. 063685

Place: Kolkata
Dated: 18th May 2018

MICROSEC WEALTH MANAGEMENT LIMITED
CORPORATE IDENTITY NO. (CIN) - U65990WB2018PLC224460
AZIMGANJ HOUSE, 2ND FLOOR,
7, ABANINDRA NATH THAKUR SARANI (FORMERLY CAMAC STREET),
KOLKATA - 700 017



BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As at 31.03.2018 Rs.
I. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	3	6,00,00,000
(b) Reserves and Surplus	4	(22,62,867)
2. Non Current Liabilities		
(a) Long-Term Provisions	5	46,292
3. Current Liabilities		
(a) Trade Payables	6	
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		39,932
(b) Other Current Liabilities	7	3,01,365
(c) Short-Term Provisions	8	290
		<u>5,81,25,012</u>
II. ASSETS		
1. Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	9	1,86,323
(b) Non Current Investment	10	5,01,16,102
2. Current Assets		
(a) Current Investment	11	66,55,767
(b) Short Term Loans and Advances	12	47,400
(c) Cash and Bank Balances	13	11,19,420
		<u>5,81,25,012</u>

Summary of significant accounting policies 1.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Firm Registration No: 302049E
Chartered Accountants

For and on behalf of the Board of Directors

Amit Agrawal
Partner
Membership No.: 063685

Place : Kolkata
Date : 18th May, 2018

Deepak Kumar Agarwal
Executive Director & CFO
DIN : 05329569

Rahul Kumar Singh
Company Secretary

Naveen Vyas
Executive Director
DIN : 07986193



MICROSEC WEALTH MANAGEMENT LIMITED
CORPORATE IDENTITY NO. (CIN) - U65990WB2018PLC224460
AZIMGANJ HOUSE, 2ND FLOOR,
7, ABANINDRA NATH THAKUR SARANI (FORMERLY CAMAC STREET),
KOLKATA - 700 017



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2018

	Notes	Period ended 31st March, 2018 Rs.
INCOME		
I. Revenue from Operations	14	4,20,000
II. Other Income	15	75,369
III. Total Revenue (I+II)		4,95,369
IV. EXPENSES:		
Employee Benefit Expense	16	19,84,303
Depreciation and Amortization	17	13,856
Other Expenses	18	7,60,077
		27,58,236
V. (LOSS) BEFORE TAX		(22,62,867)
VI. Tax Expenses:		
(a) Current Tax		-
(b) Deferred Tax		-
		(22,62,867)
VII. (LOSS) FOR THE YEAR		(22,62,867)
VIII. Loss Per Equity Share:		
Basic & Diluted (Nominal Value per Share Rs. 10/-)	19	(3.05)
Summary of significant accounting policies	2.1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Firm Registration No: 302049E
Chartered Accountants

For and on behalf of the Board of Directors

Amit Agrawal
Partner
Membership No.: 063685

Deepak Kumar Agarwal
Executive Director & CFO
DIN : 05329569

Naveen Vyas
Executive Director
DIN : 07986193

Place : Kolkata
Date : 18th May, 2018

Rahul Kumar Singh
Company Secretary



Cash Flow Statement for the Period Ended March 31, 2018

	Particulars	Period Ended 31.03.2018 (Rs.)
A.	Cash Flow from Operating Activities	
	(Loss) before tax	(22,62,867)
	Adjustments for :-	
	Depreciation and Amortization	13,856
	Profit from Current Investment	(55,767)
	Dividend Income	(19,215)
	Preliminary Expenses	6,88,845
	Operating cash flow before working capital changes	(16,35,148)
	Increase in Long Term Provisions	46,292
	Increase in Trade Payables	39,932
	Increase in Other Current Liabilities	3,01,365
	Increase in Short Term Provisions	290
	(Increase) in Short Term Loans and Advances	(47,400)
	Cash used in from operations	(12,94,669)
	Income Taxes paid (net)	-
	Net cash used in from operating activities	(12,94,669)
B.	Cash Flow from Investing Activities	
	Purchase of Fixed Assets	(2,00,179)
	Purchase of Non Trade Quoted Shares	(5,01,16,102)
	Purchase of Current Investment	(5,90,00,000)
	Proceeds from sale of Current Investment	5,24,00,000
	Dividend Income	19,215
	Net cash used in from investing activities	(5,68,97,066)
C.	Cash Flows from Financing Activities	
	Proceeds from issue of Share Capital	6,00,00,000
	Preliminary Expenses Paid	(6,88,845)
	Net cash generated from financing activities	5,93,11,155
D.	Net change in cash and cash equivalents (A+B+C)	11,19,420
E.	Cash and Cash equivalents - Opening Balance	-
F.	Cash and Cash equivalents - Closing Balance*	11,19,420

Note :

The Cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 'Cash Flow Statement'

* Components of Cash and Cash Equivalents as indicated in Note 13 comprises of:

Cash in Hand	775
Balance with Scheduled Bank	11,18,645
Total	11,19,420

As per our attached report of even date

For Singhi & Co.
Firm Registration No: 302049E
Chartered Accountants



Amit Agrawal
Partner
Membership No.: 063685

Place : Kolkata
Date : 18th May, 2018



For and on behalf of the Board of Directors


Deepak Kumar Agarwal
Executive Director & CFO
DIN : 05329569


Rahul Kumar Singh
Company Secretary


Naveen Vyas
Executive Director
DIN : 07986193



Notes to Financial Statements as at and for the year ended 31st March, 2018

1. Corporate Information

Microsec Wealth Management Limited is a public company domiciled in India. The Company is formed for providing Financial Services such as Portfolio Management Services and consultancy services. The Company has filed an application to Securities Exchange Board of India for obtaining approval to provide Portfolio Management Services. Pending such approval, the business operation in relation to Portfolio Management Services has not been started.

2. 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 to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rule, 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of Significant Accounting Policies:

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, 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.

a) Fees from Professional Services are recognized as and when the services are rendered to the customers and when there is a reasonable certainty of its ultimate realization/collection.

b) Dividend Income is recognized when the shareholder's right to receive dividend is established by the balance sheet date.

c) Transaction in respect of Investment / dealing in securities are recognized on trade date.

iii) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price.

Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Notes to Financial Statements as at and for the year ended 31st March, 2018

v) Depreciation on Property, Plant and Equipment and Amortization on intangible assets

- a. Leasehold land is amortized on a straight line basis over the period of lease, i.e. 99 years.
- b. Depreciation on Property, Plant and Equipment is calculated on Written Down Value (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 to the Companies Act, 2013.
- c. Depreciation on Property, Plant and Equipment added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.
- d. Computer softwares are amortized on straight line basis over a period of five years from the date the assets become available for use.

vi) Impairment of Fixed 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 realizable and intended to be held for not more than one year from the date of such investment 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) Taxes on Income

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 recognized 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 realized. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

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 realized. 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.

Minimum Alternative Tax (MAT) credit is recognized 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.



Notes to Financial Statements as at and for the year ended 31st March, 2018

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 recognized in full in the period in which they occur in the Statement of Profit and Loss. Bifurcation of current and non-current provisions for gratuity is done based on actuarial valuation.

c) Short term compensated absences are provided for based on estimates. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

x) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and Cash / Cheque on hand and short-term investments with an original maturity of three months or less.

xi) Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xii) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

xiii) Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources 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 balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xiv) 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

xv) Segment Reporting:

The Company is engaged mainly in the business of financial services. These, in the context of Accounting Standard -17 on Segment Reporting are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.



MICROSEC WEALTH MANAGEMENT LIMITED
AZIMGANJ HOUSE, 2ND FLOOR,
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

As at
31.03.2018
Rs.

3. SHARE CAPITAL

Authorised

60,00,000 Equity Shares of Rs. 10/- each

6,00,00,000

6,00,00,000

Issued, Subscribed and Paid-up

60,00,000 Equity Shares of Rs. 10/- each

6,00,00,000

6,00,00,000

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

Equity Shares

	As at 31st March, 2018	
	Nos.	Rs.
Issued during the period	60,00,000	6,00,00,000
Outstanding at the end of the period	<u>60,00,000</u>	<u>6,00,00,000</u>

(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.

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) Share held by Holding Company

Out of the share issued by the company, shares held by it holding company are as below :

	31.03.2018 (Rs.)
60,00,000 Equity Shares of Rs. 10 each, fully paid up	
Microsec Resources Private Limited	<u>6,00,00,000</u>

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

Name of the shareholder	As at 31st March, 2018	
	No. of shares	% of holding
(Equity shares of Rs. 10 each full paid up)		
Microsec Resources Private Limited (including shares held by its nominees)	60,00,000	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.



MICROSEC WEALTH MANAGEMENT LIMITED
AZIMGANJ HOUSE, 2ND FLOOR,
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KOLKATA - 700 017



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

As at
31.03.2018
Rs.

4. RESERVES AND SURPLUS

Surplus / (Deficit) in the Statement of Profit and Loss

(Loss) for the year transferred from the Statement of Profit and Loss

(22,62,867)

(22,62,867)

5. Long-Term Provisions

For Gratuity [Refer Note 22]

46,292

46,292

6. TRADE PAYABLES

Due to Micro and Small Enterprises *

Due to Others

-

39,932

39,932

* 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

7. OTHER CURRENT LIABILITIES

Other liabilities

- Statutory Dues Payable

- Other Payable

2,80,198

21,167

3,01,365

8. Short-Term Provisions

For Gratuity [Refer Note 22]

290

290

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

9. FIXED ASSETS

A. Property, Plant and Equipment

(Amount in Rs.)

Particulars	Computers
Gross Block	
At April 1, 2016	-
Additions	-
Disposals	-
At March 31, 2017	-
Additions	2,00,179
Disposals	-
At March 31, 2018	2,00,179
Depreciation	
At April 1, 2016	-
Charge for the year	-
Disposals	-
At March 31, 2017	-
Charge for the year	13,856
Disposals	-
At March 31, 2018	13,856
Net Block	
At March 31, 2017	-
At March 31, 2018	1,86,323



MICROSEC WEALTH MANAGEMENT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Face Value per share / units Rs.	No. of Shares/ units	As at 31.03.2018 Rs.
10. Non Current Investments			
Non-Trade Investments (Valued at cost unless stated otherwise)			
Quoted Equity Shares (fully paid up)			
Asian Paints Limited	1	4,400	5,008,015
Britannia Industries Limited	2	1,050	4,983,697
Housing Development Finance Corporation Limited	2	5,490	10,004,977
HDFC Standard Life Insurance Company Limited	10	23,000	10,021,965
Kotak Mahindra Bank Limited	5	9,500	10,011,284
SBI Life Insurance Company Limited	10	7,200	5,016,020
The New India Assurance Company Limited	5	7,150	5,070,144
			50,116,102
Aggregate Value of Investments			
Quoted			50,116,102
Market Value of Quoted Investments			50,459,574
11. Current Investments			
(Valued at lower of cost and fair value, unless stated otherwise)			
Unquoted Mutual Fund (Fully Paid)			
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	1,000	1,590.94	6,655,767
			6,655,767
Aggregate Value of Investments			
Unquoted			6,655,767
Aggregate Net Asset Value of Mutual Fund Units			6,717,319
12. Short Term Loans and Advances			
Deposit with Government Authorities and others			5,400
Advance Income Tax and Tax Deducted at Source [Net of Provision Rs. Nil]			42,000
			47,400
13. CASH AND BANK BALANCES			
(i) Cash and Cash Equivalents			
Cash on Hand			775
Balances with Scheduled Banks On Current Accounts			1,118,645
			1,119,420



MICROSEC WEALTH MANAGEMENT LIMITED
AZIMGANJ HOUSE, 2ND FLOOR,
7, ABANINDRA NATH THAKUR SARANI (FORMERLY CAMAC STREET),
KOLKATA - 700 017



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018

	Period ended 31st March, 2018 Rs.
14. Revenue From Operations	
Professional Fees	4,20,000
	<u>4,20,000</u>
15. Other Income	
Profit on Sale of Current Investment	55,767
Profit on Sale of Non trade Quoted Shares	387
Dividend Received	19,215
	<u>75,369</u>
16. Employee Benefit Expense	
Salary, Bonus, etc.	19,37,721
Gratuity Expense [Refer Note 22]	46,582
	<u>19,84,303</u>
17. Depreciation and Amortization Expense	
Depreciation of Property, Plant and Equipment	13,856
	<u>13,856</u>
18. OTHER EXPENSES	
Communication Expenses	108
Rates & Taxes	6,800
Printing & Stationery Expenses	13,576
Bank and Demat Charges	964
Travelling & Conveyance	1,835
Repair & Maintenance	5,000
Professional Fees	8,200
Auditor's Remuneration As Auditors	30,000
Miscellaneous Expenses	4,749
Preliminary Expenses	6,88,845
	<u>7,60,077</u>
19. EARNINGS PER SHARE	
Basis for calculation of Basic and Diluted Earnings Per Share is as under:	
Profit / (Loss) after tax (Rs.)	(22,62,867)
Weighted Average Number of Equity Shares (Nos)	7,41,918
Nominal Value of each Equity Share (Rs.)	10
Basic and Diluted Earnings Per Share (Rs.)	(3.05)



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Notes to the financial statements as at and for the year ended 31st March, 2018

- 20 The Company has only one business segment and its operations are also confined to one geographical segment i.e., India. As such, no further disclosure under Accounting Standard 17 "Segment Reporting" is required.

- 21 In terms of Accounting Standard 18 – the related party disclosure is given below:

(a) Name of the related parties

Holding Company / Ultimate Holding Company

Microsec Resources Private Limited

Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited), Ultimate Holding Company

Name of the related party with whom transaction has been taken place during the year

Key Management Personnel

Mr. Deepak Kumar Agarwal (Wholetime Director)

Mr. Naveen Kumar Vyas (Wholetime Director)

Mr. Rahul Kumar Singh (Company Secretary)

b) Details of Related Party Transactions

(Amount in Rs.)

Particulars	Holding Company	Key Management Personnel	Total
Issuance of Share Capital			
Microsec Resources Private Limited	60,000,000	-	60,000,000
	(-)	(-)	(-)
Managerial Remuneration			
Deepak Kumar Agarwal	-	365,931	365,931
	(-)	(-)	(-)
Naveen Kumar Vyas	-	1,267,598	1,267,598
	(-)	(-)	(-)
Rahul Kumar Singh	-	109,237.0	109,237
	(-)	(-)	(-)

- 22 The Company has a defined employee benefit plan in the form of gratuity. Every employee, who has completed five years or more of services, is entitled to gratuity on terms not less favorable than the provisions of the payment of Gratuity Act, 1972.

The following tables summaries the components of gratuity expenses recognised in the Statement of Profit and Loss and in Balance Sheet.

	2017 – 18
	(Rs.)
(i) Net Employee Expense / (benefit)	
Current service cost	46,582
Total employer expense / (benefit) recognised in Statement of Profit and Loss	46,582
(ii) Benefit Asset/(Liability)	
Defined benefit obligation	46,582
Fair value of Plan Assets	-
Benefit Asset/(Liability)	(46,582)
(iii) Movement in benefit liability	
Opening defined benefit obligation	46,582
Closing benefit obligation	46,582
(iv) The principal actuarial assumptions are as follows	
Discount Rate	7.70%
Expected return on plan assets	7.70%
Salary increase	6.00%
Withdrawal rates	1.00%
(v) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.	
(vi) The overall expected rate of 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.	
(vii) The Company expects to contribute Rs. 1,00,000 to gratuity fund April, 2018 to March, 2019.	
(viii) Amounts for the current year and previous years are as follows :	Year Ended 31st March, 2018
Gratuity	
Defined Benefit Obligation	46,582
Surplus / (Deficit)	(46,582)

- 23 Deferred tax asset has not been recognized in the accounts since there is no virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.



MICROSEC WEALTH MANAGEMENT LIMITED
AZIMGANJ HOUSE, 2ND FLOOR,
7, ABANINDRA NATH THAKUR SARANI (FORMERLY CAMAC STREET),
KOLKATA - 700 017



Notes to the financial statements as at and for the year ended 31st March, 2018

24 The Company has been incorporated on 23rd January, 2018, accordingly there are no previous year figures for this financial statements.

As per our Report of even date

For Singhi & Co.
Firm Registration No: 302049E
Chartered Accountants

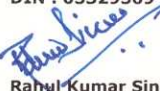

Amit Agrawal
Partner
Membership No.: 063685

Place: Kolkata
Date: 18th May, 2018



For and on behalf of Board of Directors


Deepak Kumar Agarwal
Executive Director & CFO
DIN : 05329569


Rahul Kumar Singh
Company Secretary


Naveen Vyas
Executive Director
DIN : 07986193

