



# Sunil K. Mittal & Co

CHARTERED ACCOUNTANTS

8-D, HANSALYA, 15, BARAKHAMBA ROAD, NEW DELHI - 110001  
Telefax: 23358616, 23358617 | E-mail: caskmittal0910@gmail.com

## Independent Auditor's Report

To the Members of Moneywise Financial Services Private Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Moneywise Financial Services Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, 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 is 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

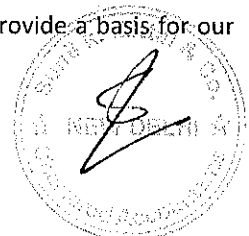
### Auditor's Responsibility

Our responsibility is to express an opinion on 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. 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 evidence we have obtained is 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 31 March 2017 and its profit 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 statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account and returns;
  - (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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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:
    - i. the Company does not have any pending litigations which would impact its financial position except as disclosed in Note no.2.26 of the financial statements;
    - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses , and
    - iii. there were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its standalone financial statement as to holding as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30,2016 and these are in accordance with the books of accounts maintained by the company. Refer Notes 2.33 to the financial statements.

**For Sunil K. Mittal & Co.**

Chartered Accountants

FRN: 008524N

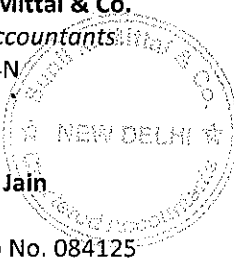
**Sunil Kumar Jain**

Proprietor

Membership No. 084125

Place: New Delhi

Date: 22<sup>nd</sup> May, 2017



## Annexure to the Independent 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 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (ii) The securities held as inventory have been verified from the statements of holding from the depository participants by the management during the year / at the year end. In our opinion, the frequency of verification is reasonable. There are no material discrepancies noticed between the books records and the statements of holding provided by the depository participants.
- (iii) The Company has granted unsecured loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act are not prima facie, prejudicial to the interest of the Company,
  - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the schedule of repayment of principal and payment of interest is on demand.
  - (c) There are no overdue amounts in respect of loan granted to a body corporate listed in the register maintained u/s 189 of the Act as the same are repayable on demand which has been realized subsequently and there is no outstanding related to above as on date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the loans, investments, guarantees and security made. The company has not given any loan to its directors, hence section 185 not applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act, 2013 and rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (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 account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, 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 Sales tax, duty of custom, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Income Act act,1961	Income Tax Demand	4,02,680	A/Y 2011-11	CIT (Appeals)-I Kolkata

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayments of dues to any financial institution and banks. The company does not have any loan and borrowings from government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion, and according to information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- (x) 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.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) 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.
- (xiii) 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.
- (xiv) According to the information and explanations given 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.
- (xv) 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.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Sunil K. Mittal & Co.**

**Chartered Accountants**

FRN: 008524N

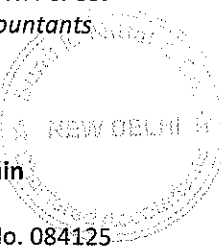
**Sunil Kumar Jain**

Proprietor

Membership No. 084125

Place: New Delhi

Date: 22<sup>nd</sup> May, 2017



## **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 **Moneywise Financial Services Private Limited** ("the Company") as of 31 March 2017 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.

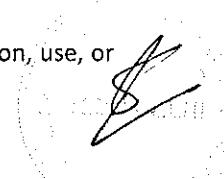
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 evidence we have obtained is 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
- (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 31 March 2017, 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 Sunil K. Mittal & Co.**

*Chartered Accountants*

FRN: 008524N

**Sunil Kumar Jain**

Proprietor

Membership No. 084125

Place: New Delhi

Date: 22<sup>th</sup> May 2017



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## Auditors' Report

As required by the "Non-Banking Financial Companies" Auditor's Report (Reserve Bank) Directions, 1998, we further state that we have submitted a report to the Board of Directors of the Company containing a statement on the matters of supervisory concern to the Reserve Bank of India as specified in the said Directions, namely the following:

- i. The Company Moneywise Financial Services Private Limited (formerly known as Sati Sales Private Limited) incorporated prior to January 9, 1997, has applied for registration as provided in section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has received certificate of registration from the Reserve Bank of India.
- ii. The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposit.
- iii. According to the information and explanations give to us and based on our examination of the records of the Company has complied with required Net Owned Fund (NOF).
- iv. The Company has not accepted any public deposit during the year under review.
- v. The Company has complied with the prudential norms relating to income recognition, accounting standards, Assets Classification & provisioning of bad & doubtful debts as applicable to it.

**For Sunil K. Mittal & Co.**

*Chartered Accountants*

ICAI Firm's Registration No: 008524N



Sunil Kumar Jain

Proprietor

Membership No. 084125

Place : New Delhi

Date : 22<sup>nd</sup> May 2017



# Sunil K. Mittal & Co

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## TO WHOMSOEVER IT MAY CONCERN

In pursuant to "Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007", We, Sunil K. Mittal & Co., Statutory Auditors of Moneywise Financial Services Private Limited, On the basis of books of accounts and other records for the year ended 31<sup>st</sup> March 2017 produced to us by the management of Moneywise Financial Services Private Limited, hereby certify and confirm that the Company is engaged in the business of non-banking financial institution requiring it to hold a Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

We hereby also certify that asset/income pattern of the Non-Banking Financial Company makes it eligible for classification as Loan Company.

Further we hereby certify and confirm that Moneywise Financial Services Private Limited (Formerly Sati Sales Private Limited) is holding a certificate of registration bearing no. B-05.04678 from Reserve Bank of India as provided under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934).

**For Sunil K. Mittal & Co.**

*Chartered Accountants*

ICAI Firm's Registration No: 008524N

**Sunil Kumar Jain**

Proprietor

Membership No. 084125

Place : New Delhi

Date : 22<sup>nd</sup> May 2017



**Moneywise Financial Services Private Limited**  
**Balance Sheet as at 31st March 2017**

( Amount in ₹ )

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2.01	32,15,69,200	27,15,69,200
Reserves and Surplus	2.02	1,37,19,74,515	1,04,81,14,568
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	2.03	3,46,68,503	3,22,305
Other Long term Liabilities	2.04	75,00,000	-
Long-Term Provisions	2.05	4,32,56,858	1,55,40,168
<b>Current Liabilities</b>			
Short Term Borrowings	2.06	1,66,32,58,940	1,72,57,92,934
Trade Payables	2.07	1,28,29,032	74,52,741
Other Current Liabilities	2.08	36,37,01,211	62,12,39,043
Short Term Provisions	2.09	1,20,45,629	77,18,304
<b>Total</b>		<b>3,83,08,03,888</b>	<b>3,69,77,49,263</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible Assets	2.10	62,15,922	38,90,064
Non-Current Investments	2.11	2,97,65,150	6,85,76,578
Deferred Tax Assets (net)	2.12	1,57,94,207	70,58,540
Long-term Loans and Advances	2.13	1,21,87,09,557	61,61,58,661
<b>Current Assets</b>			
Inventories	2.14	36,41,76,696	56,81,79,288
Trade Receivables	2.15	9,97,563	2,19,188
Cash and Bank Balances	2.16	87,10,833	20,27,386
Short-Term Loans and Advances	2.17	2,17,32,12,815	2,40,89,57,123
Other Current assets	2.18	1,32,21,145	2,26,82,435
<b>Total</b>		<b>3,83,08,03,888</b>	<b>3,69,77,49,263</b>

Significant Accounting Policies & notes to the financial statements

1 & 2

As per our report of even date attached  
for Sunil K. Mittal & Co.  
Chartered Accountants  
ICAI Firm's Registration No: 008524N

Sunil Kumar Jain  
Proprietor  
Membership No. 084125

Place: New Delhi  
Date: 22nd May, 2017

for and on behalf of the Board

Ajay Garg  
Chairman & Chief  
Executive Officer  
DIN: 00003166

Himanshu Gupta  
Director & Chief  
Financial Officer  
DIN: 03187614

Vandana Jhinjheria  
Company Secretary

**Moneywise Financial Services Private Limited**  
**Statement of Profit & Loss for the year ended 31st March 2017**

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Revenue</b>			
Revenue from operations	2.19	43,29,48,684	25,45,88,870
Other income	2.20	9,08,698	1,55,75,150
<b>Total Revenue</b>		<b>43,38,57,382</b>	<b>27,01,64,020</b>
<b>Expenses:</b>			
Operating Expenses	2.21	1,01,85,448	53,76,042
Employee Benefits Expense	2.22	1,93,38,031	95,85,320
Finance Costs	2.23	12,58,98,544	6,30,37,322
Depreciation and Amortization Expense	2.24	24,50,443	15,67,151
Other Expenses	2.25	6,98,67,597	1,69,61,051
<b>Total Expenses</b>		<b>22,77,40,063</b>	<b>9,65,26,886</b>
<b>Profit Before Tax</b>		<b>20,61,17,319</b>	<b>17,36,37,134</b>
Less: Tax expense			
Current tax		8,78,08,895	6,04,71,862
Deferred tax		(87,35,667)	(20,30,494)
Prior Period Taxes		31,84,144	(1,51,819)
<b>Profit After Tax</b>		<b>12,38,59,947</b>	<b>11,53,47,585</b>
Earnings per equity share of ₹ 10 each:	2.34		
(1) Basic		4.08	5.13
(2) Diluted		4.08	5.13
Significant Accounting Policies & notes to the financial statements	1 & 2		

As per our report of even date attached  
for Sunil K. Mittal & Co.  
Chartered Accountants  
ICAI Firm's Registration No: 008524N

Sunil Kumar Jain  
Proprietor  
Membership No. 084125



for and on behalf of the Board

  
**Ajay Garg**  
Chairman & Chief  
Executive Officer  
DIN: 00003166

  
**Himanshu Gupta**  
Director & Chief Financial  
Officer  
DIN: 03187614

  
**Vandana Jhinjheria**  
Company Secretary

Place: New Delhi  
Date: 22nd May, 2017

**Moneywise Financial Services Private Limited**  
**Cash Flow Statement for the year ended 31st March 2017**

( Amount in ₹ )

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A Cash flow from Operating Activities</b>		
Profit before tax	20,61,17,319	17,36,37,134
<b>Add/(less):</b>		
Depreciation	24,50,443	15,67,151
Provision for Non performing assets	2,35,47,438	34,45,697
Provision for Standard assets	32,31,267	52,43,854
Provision for Doubtful Debts	1,77,537	-
Provision For Diminution of Investment	80,00,000	-
Provision for advance	75,00,000	-
Profit on sale of fixed assets	(2,40,917)	(45,217)
Loss on sale of Investments	1,34,83,187	-
Dividend Income	(30,464)	(94,133)
<b>Operating Profit before Working Capital Changes</b>	<b>26,42,35,810</b>	<b>18,37,54,486</b>
<b>Adjustments for:</b>		
Change In Liabilities & Provisions	(21,54,47,456)	62,93,49,923
Change in Trade Receivables	(9,55,912)	(1,91,588)
(Increase) / Decrease in Inventories	20,40,02,592	(56,81,79,288)
Change in Loans and Advances & other assets	(39,25,68,173)	(1,64,47,31,729)
(Increase) / Decrease in Bank term deposit	(25,00,000)	-
<b>Cash Generated from Operations</b>	<b>(14,32,33,139)</b>	<b>(1,39,99,98,196)</b>
Direct Taxes Paid (Net of Refunds)	(8,72,18,938)	(5,32,91,574)
<b>Net cash (used in) operating Activities (A)</b>	<b>(23,04,52,077)</b>	<b>(1,45,32,89,770)</b>
<b>B Cash Flow from Investing Activities</b>		
Dividend Income	30,464	94,133
Purchase of Fixed Assets	(49,70,384)	(8,23,200)
Sale of Fixed Assets	4,35,000	3,75,800
Purchase of Non Current Investments	(56,41,097)	(33,43,110)
Sale of Non Current Investments	2,29,69,337	14,00,000
<b>Net Cash from / (used in) Investing Activities (B)</b>	<b>1,28,23,320</b>	<b>(22,96,377)</b>
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Issue of Share Capital (Including Premium)	25,00,00,000	39,99,99,976
Proceeds from Short Term Borrowing	(6,25,33,994)	1,04,14,15,640
Proceeds from Loan	3,43,46,198	(2,90,678)
<b>Net Cash from Financing Activities (C)</b>	<b>22,18,12,204</b>	<b>1,44,11,24,938</b>
<b>Net Increase/(Decrease) in cash and cash Equivalents (A+B+C)</b>	<b>41,83,447</b>	<b>(1,44,61,208)</b>
Cash and Cash Equivalent at the beginning of the year	20,27,386	1,64,88,594
<b>Cash and Cash Equivalent at the end of the year (refer note no. 2.16)</b>	<b>62,10,833</b>	<b>20,27,386</b>




**Notes :**

- 1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in AS-3 notified u/s 133 of the Companies Act, 2013
- 2 Figures in brackets indicate cash outflow.
- 3 The significant accounting policies and notes to the financial statement (refer note no. 1 & 2) forms an integral part of the Cash Flow Statement

**Significant Accounting Policies & notes to the financial statements**


**1 & 2**

As per our report of even date attached  
for Sunil K. Mittal & Co.  
*Chartered Accountants*  
ICAI Firm's Registration No: 008524N


  
**Sunil Kumar Jain**  
Proprietor  
Membership No. 084125

Place: New Delhi  
Date: 22nd May, 2017

for and on behalf of the Board

  
**Ajay Garg**  
Chairman & Chief  
Executive Officer  
DIN: 00003166

  
**Himanshu Gupta**  
Director & Chief  
Financial Officer  
DIN: 03187614

  
**Vandana Jhinjheria**  
Company Secretary

**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

**Corporate Information**

Moneywise Financial Services Private Limited ('the Company') a wholly owned subsidiary of SMC Global Securities Limited, domiciled in India and incorporated under the provision of the Companies Act, 1956 ('the Act'). The Company was registered as non-banking financial company registered with RBI as a residuary non-deposit taking Loan company which is engaged in the business of making loans and advances, lending money against a mortgage of immovable property or pledge of movable property.

**Basis of Preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014 and the provisions of the RBI as applicable to NBFC-ND. The financial statements have been prepared on an accrual basis and under the historical cost convention except interest on loans which have been classified as non-performing assets and are accounted for on realization basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**1. Summary of Significant accounting policies**

**a. Use of estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on 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 amounts of assets or liabilities in future periods.

**b. Inventories**

Inventories of bonds are valued at cost or market price whichever is lower.

**c. 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.

- i. Interest income on loans is recognised on accrual basis. Income or any other charges on non-performing asset is recognised only when realised and any such income recognised before the asset became nonperforming and remaining unrealised is reversed.
- ii. Revenue on account of trading in securities is recognized on the basis of each trade executed at the stock exchange during the financial year.
- iii. Service tax on charges/ fees is collected by the Company as an intermediary and accordingly revenue is presented on net basis.
- iv. Loan processing fees is recognized when due.



**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

- v. Dividend is recognized as Income when right to receive payment is established by the date of Balance sheet.
- vi. All other income is recognised on an accrual basis.

**d. Employee Benefits**

Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as incurred

Gratuity Liability is a defined obligation and is not funded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.

Unavailed Leave Liability is a defined obligation and is not funded. The company accounts for liability for future benefits based on actuarial valuation as at the Balance Sheet date

**e. Fixed assets**

Fixed assets are stated at cost of acquisition including taxes, duties, identifiable direct expenses and expenses on installation thereof, and are net of accumulated depreciation provided thereon.

**f. Depreciation and Amortization**

Depreciation on tangible fixed assets is computed on written down value method at such rate as computed considering the useful life of asset provided in the Schedule - II of the Act.

**g. Investment**

Non-current Investment in Quoted & Unquoted shares has been valued at cost. Provision is made for diminution other than temporary in the value of such investments. However diminution in value is reversed, when there is rise in the value of if the reason for the reduction no longer exists.

**h. Foreign Currency Transactions**

Revenue and expenses are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are recognized in the Statement of Profit and Loss.

**i. Impairment of Assets**

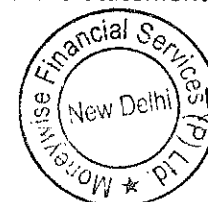
Carrying amount of cash generating units/assets is reviewed for impairments at each balance Sheet date. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount i.e. the higher of net realizable price and value in use.

**j. Loans**

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the balance sheet date.

**k. Leases**

Lease Rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss.



**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

**l. Borrowing costs**

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to statement of Profit & Loss in the year in which they are incurred

**m. Earnings per Share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

**n. Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that 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 the 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.

**o. Taxation**

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes 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. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets 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 un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised 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 assets can be realised. The carrying cost of the deferred tax assets are 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. Provision of current Income Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing difference between the taxable income and accounting income. Deferred tax is measured based on the tax rates and the laws enacted at the Balance Sheet date. Deferred Tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future. Deferred tax assets are reviewed at each Balance Sheet date.



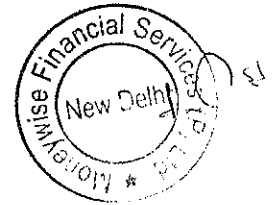
**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

**p. Segment reporting**

The management is of view that the company has only one reportable segment i.e. "Financial Activities". Hence no separate disclosure is required.

**q. Other Accounting Policies**

Accounting policies not referred to otherwise are consistent with generally accepted accounting policies.



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Moneywise Financial Services Private Limited  
Notes to the financial statements

( Amount in ₹ )

Note No.	Particulars	As at 31st March 2017	As at 31st March 2016
2.01(a)	<b>Share Capital</b>		
	<b>Authorised</b>		
	4,00,00,000 ( Previous Year 4,00,00,000 equity shares of ₹ 10 each fully paid up in cash)	40,00,00,000	40,00,00,000
	<b>Issued , Subscribed &amp; Paid up</b>		
	3,21,56,920 (Previous Year 2,71,56,920 equity shares of ₹ 10 each fully paid up in cash)	32,15,69,200	27,15,69,200
	<b>Total</b>	<b>32,15,69,200</b>	<b>27,15,69,200</b>

2.01(b)	Reconciliation of Number of Equity Shares Outstanding	No. of Shares	Amount in ₹
	<b>As at 31st March 2017</b>		
	at the beginning of the year	2,71,56,920	27,15,69,200
	Issued during the year	50,00,000	5,00,00,000
	<b>at the end of the year</b>	<b>3,21,56,920</b>	<b>32,15,69,200</b>
	<b>As at 31st March 2016</b>		
	at the beginning of the year	1,83,64,650	18,36,46,500
	Issued during the year	87,92,270	8,79,22,700
	<b>at the end of the year</b>	<b>2,71,56,920</b>	<b>27,15,69,200</b>

2.01(c)	Shares held by shareholders holding more than 5% shares	No. of Shares held	No. of Shares held(%)
	<b>As at 31st March 2017</b>		
	SMC Global Securities Limited* (Equity Shares of ₹ 10 each fully paid up)	3,21,56,920	100%
	<b>As at 31st March 2016</b>		
	SMC Global Securities Limited* (Equity Shares of ₹ 10 each fully paid up)	2,71,56,920	100%

2.01(d) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 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.

2.01(e) Shares held by Holding /ultimate Holding company and/or their subsidiaries

Name of Shareholder	As at 31st March 2017	As at 31st March 2016
SMC Global Securities Limited* (Equity Shares of ₹ 10 each fully paid up)	3,21,56,920	2,71,56,920

\* Includes shares of nominee shareholders as beneficial interest has been transferred to SMC Global Securities Ltd.



Moneywise Financial Services Private Limited  
Notes to the financial statements

(Amount in ₹)

Note No.	Particulars	As at 31st March 2017	As at 31st March 2016
<b>2.02</b>	<b>Reserves and Surplus</b>		
	<b>A. Securities Premium</b>		
	Opening Balance	83,18,92,777	51,98,15,501
	(+) Securities premium credited on Share issue	20,00,00,000	31,20,77,276
	<b>Closing Balance</b>	<b>1,03,18,92,777</b>	<b>83,18,92,777</b>
	<b>B. Surplus</b>		
	Opening Balance	17,26,19,816	8,03,41,748
	(+) Profit after tax for the year	12,38,59,947	11,53,47,585
	(-) Transfer to Statutory Reserve	(2,47,71,989)	(2,30,69,517)
	<b>Closing Balance</b>	<b>27,17,07,774</b>	<b>17,26,19,816</b>
	<b>C. Other Reserves (Reserve Fund u/s 45- IC of RBI Act 1934)</b>		
	Opening balance	4,36,01,975	2,05,32,458
	(+) Addition during the year	2,47,71,989	2,30,69,517
	<b>Closing Balance</b>	<b>6,83,73,964</b>	<b>4,36,01,975</b>
	<b>Total</b>	<b>1,37,19,74,515</b>	<b>1,04,81,14,568</b>
<b>2.03</b>	<b>Long-Term Borrowings</b>		
	<b>Term Loan</b>		
	<b>Secured</b>		
	From Bank <sup>1</sup>	5,21,78,030	-
	Less: Current Maturities shown under the head "Other Current Liabilities" (refer Note 2.08)	(1,75,09,527)	-
		<b>3,46,68,503</b>	<b>-</b>
	From Others <sup>2</sup>	3,22,854	6,12,434
	Less: Current Maturities shown under the head "Other Current Liabilities" (refer Note 2.08)	(3,22,854)	(2,90,129)
		<b>-</b>	<b>3,22,305</b>
	<b>Total</b>	<b>3,46,68,503</b>	<b>3,22,305</b>
	<sup>1</sup> Out of Loan amounting Rs. 5,21,78,030 of ₹ 21,78,030 secured by hypothecation of motor vehicle repayable in 36 equated monthly instalments bearing interest @ 9.25% per annum and ₹ 5,00,00,000 secured against book debts Repayable in 12 equal quarterly instalments bearing interest 3 Years MCLR +.65bps.		
	<sup>2</sup> Term Loan from Financial Institution is secured by hypothecation of motor vehicle repayable in 36 equated monthly instalments bearing interest @ 10.50% per annum.		
<b>2.04</b>	<b>Other Long term Liabilities</b>		
	Security Deposits	75,00,000	-
		<b>75,00,000</b>	<b>-</b>
<b>2.05</b>	<b>Long-Term Provisions</b>		
	<b>Provision for Standard assets</b>		
	Opening Balance	81,43,249	28,99,395
	Add: additions during the year	32,31,267	52,43,854
		<b>1,13,74,516</b>	<b>81,43,249</b>
	Provision for Non Performing Assets <sup>1</sup>	2,98,29,527	62,82,089
	<b>Provision For Employee Benefits <sup>2</sup></b>		
	Provision For Gratuity	15,71,580	8,79,633
	Provision For Leave Encashment	4,81,235	2,35,197
	<b>Total</b>	<b>4,32,56,858</b>	<b>1,55,40,168</b>

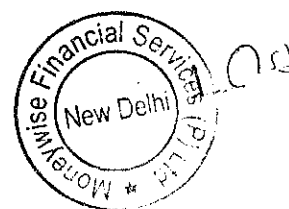
<sup>1</sup> Refer note 2.13 and 2.17

<sup>2</sup> Refer note 2.09 and 2.22

**Moneywise Financial Services Private Limited**  
Notes to the financial statements

( Amount in ₹ )

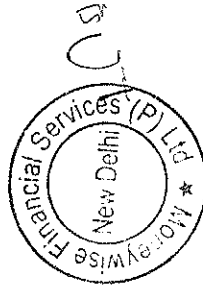
Note No.	Particulars	As at 31st March 2017	As at 31st March 2016
<b>2.06</b>	<b>Short Term Borrowings</b>		
	<b>Loans repayable on demand (Secured)<sup>1</sup></b>		
	from Financial Institutions	73,93,00,000	47,72,71,953
	<b>Unsecured Loan<sup>2</sup></b>		
	Intercorporate Deposits from Related parties <sup>3</sup>	90,19,14,738	1,24,75,17,784
	from Others	2,20,44,202	10,03,197
	<b>Total</b>	<b>1,66,32,58,940</b>	<b>1,72,57,92,934</b>
	<sup>1</sup> Repayable on demand , bearing interest rate @ 8.75% to 10.60%, per annum secured against share.		
	<sup>2</sup> Repayable on demand, bearing interest rate @ 9% to 10.2% per annum		
	<sup>3</sup> Refer note 2.30		
<b>2.07</b>	<b>Trade Payables</b>		
	- Due to micro and small enterprises *	-	-
	- Others	1,28,29,032	74,52,741
	<b>Total</b>	<b>1,28,29,032</b>	<b>74,52,741</b>
	* The company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprise Development Act ,2006, by obtaining confirmations from all suppliers Information has been collected only to the extent of information received as at balance sheet date. Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprise under " The Micro, Small and Medium Enterprises Development Act 2006" as at 31st March 2017 and 31st March 2016.		
<b>2.08</b>	<b>Other Current Liabilities</b>		
	Payable to Statutory authorities	43,36,282	26,45,937
	Book Overdraft from Banks	33,48,97,807	61,58,53,773
	Employee Benefits payable	8,89,403	1,68,732
	Interest payable	27,54,224	22,80,472
	Unearned Income	23,06,114	-
	Margin Received From Clients	6,85,000	-
	Current Maturities of long term borrowings (refer Note 2.03)	1,78,32,381	2,90,129
	<b>Total</b>	<b>36,37,01,211</b>	<b>62,12,39,043</b>
<b>2.09</b>	<b>Short Term Provisions</b>		
	Provision For Income tax	98,58,399	70,28,469
	(Net of Advance tax & TDS of ₹ 7,79,50,496, P.Y. ₹ 5,31,08,484)		
	Provision for CSR	20,86,712	6,23,886
	<b>Provision For Employee Benefits <sup>1</sup></b>		
	Provision For Gratuity	52,241	40,465
	Provision For Leave Encashment	48,277	25,484
	<b>Total</b>	<b>1,20,45,629</b>	<b>77,18,304</b>
	<sup>1</sup> Refer note 2.05 & 2.22		



Moneywise Financial Services Private Limited  
Notes to the financial statements

Note No. 2.10  
Fixed Assets

Particulars	Gross Block			Depreciation			Net Block	
	As at 1st April 2016	Additions	Sale	As at 31st March 2017	As at for the year 1st April 2016	Disposals	As at 31st March 2017	As at 31st March 2016
Office Equipment	3,07,620	14,39,140	-	17,46,760	4,81,316	-	7,41,563	47,373
Computer Hardware	64,57,881	53,600	-	65,11,481	4,96,713	-	59,12,152	10,42,442
Vehicle	27,27,565	34,77,644	(15,94,413)	46,10,796	9,91,905	(14,00,330)	12,58,733	10,60,407
Furniture & Fixtures	48,73,721	-	-	48,73,721	4,80,509	-	36,14,388	17,39,842
<b>Total</b>	<b>1,43,66,787</b>	<b>49,70,384</b>	<b>(15,94,413)</b>	<b>1,77,42,758</b>	<b>24,50,443</b>	<b>(14,00,330)</b>	<b>1,15,26,836</b>	<b>38,90,064</b>
Previous Year	1,46,06,705	8,23,200	(10,63,118)	1,43,66,787	15,67,151	(7,32,535)	1,04,76,723	49,64,598



**Moneywise Financial Services Private Limited**  
Notes to the financial statements

**Note No. 2.11**  
**Non Current Investments**

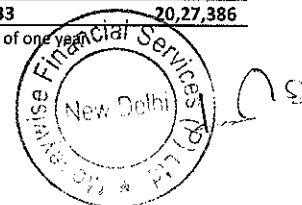
Particulars	Face Value	As at 31st March 2017		As at 31st March 2016	
		Number	Amount in ₹	Number	Amount in ₹
<b>Trade Investments</b>					
<b>Investment in Equity Instruments (Quoted)</b>					
MOIL Limited	10	-	-	14,482	82,50,955
SRS Finance Limited	10	3,89,327	1,65,27,289	3,89,327	1,65,27,289
SRS Real Infrastructure Limited	1	2,11,625	31,46,391	2,50,000	45,34,641
SRS Limited	10	-	-	2,06,000	38,76,130
Jaiprakash Associates Limited	2	3,00,000	65,12,820	8,50,000	2,42,87,563
<b>Sub Total (A)</b>			<b>2,61,86,500</b>		<b>5,74,76,578</b>
<b>Non Trade Investments</b>					
<b>Investment in Equity Instruments (Unquoted)</b>					
Rishab Polychem Private Limited	10	-	-	1,10,000	11,00,000
Sahu Jain Ltd	10	50	8,750	-	-
Arth Udyog Ltd	10	30	6,000	-	-
Combine Holding Limited	10	8	400	-	-
Ashoka Marketing Ltd	100	1	4,000	-	-
Manav Rachna Infrabuild Limited	100	50,000	50,00,000	50,000	50,00,000
Shakti Components Ventures Private Limited	100	50,000	50,00,000	50,000	50,00,000
			1,00,19,150		1,11,00,000
Less: Provision for value of diminution of investment			(80,00,000)		-
<b>Sub Total (B)</b>			<b>20,19,150</b>		<b>1,11,00,000</b>
<b>Investment in Gold Bond (Quoted)</b>					
Gold Sovereign Bond (500 gram)			15,59,500		-
<b>Sub Total (C)</b>			<b>15,59,500</b>		<b>-</b>
<b>Total (A+B+C)</b>			<b>2,97,65,150</b>		<b>6,85,76,578</b>
Aggregate Market Value of Quoted Investments -Equity			1,62,98,196		2,42,77,550
Aggregate Book Value of Quoted Investments -Equity			2,61,86,500		5,74,76,578
Aggregate Market Value of Quoted Investments -Gold Bond			13,87,350		-
Aggregate Book Value of Quoted Investments -Gold Bond			15,59,500		-
Aggregate Book Value of Unquoted Investments			1,00,19,150		1,11,00,000
Aggregate Provision for diminution in value of Unquoted Investment			80,00,000		-

Moneywise Financial Services Private Limited  
Notes to the financial statements

(Amount in ₹)

Note No.	Particulars	As at 31st March 2017	As at 31st March 2016
<b>2.12</b>	<b>Deferred Tax Assets (net)</b>		
	Fixed assets	8,55,436	6,58,856
	Provision for expenditure disallowed for tax purpose	1,29,47,713	56,89,252
	Provision for Gratuity	5,61,972	3,04,213
	Provision for Leave Encashment	1,83,254	86,189
	Provision For Diminution (Inv-Liability)	9,22,880	-
	Short Term Capital Loss	-	11,496
	Long Term Capital loss	3,22,952	3,08,534
	<b>Total</b>	<b>1,57,94,207</b>	<b>70,58,540</b>
<b>2.13</b>	<b>Long-term Loans and Advances</b>		
	<b>A. Loans under financing activities</b>		
	Secured, considered good	1,04,69,97,445	46,46,66,566
	Unsecured, considered good	13,42,78,457	8,76,35,709
	Unsecured, considered doubtful <sup>1</sup>	6,00,000	9,00,000
		1,18,18,75,902	55,32,02,275
	<b>B. Advances recoverable, in cash or kind</b>		
	Unsecured, considered good	3,02,49,195	5,54,27,756
	Unsecured, considered doubtful	90,06,244	15,06,244
	Less: Provision for bad & doubtful debts	(90,06,244)	(15,06,244)
		3,02,49,195	5,54,27,756
	<b>C. Other loans &amp; advances (unsecured, considered good)</b>		
	Balance with Statutory Authorities	65,84,460	75,28,630
		65,84,460	75,28,630
	<b>Total</b>	<b>1,21,87,09,557</b>	<b>61,61,58,661</b>
	<sup>1</sup> Refer Note: 2.05		
<b>2.14</b>	<b>Inventories*</b>		
	Bonds	36,41,76,696	56,81,79,288
	<b>Total</b>	<b>36,41,76,696</b>	<b>56,81,79,288</b>
	* Refer accounting policy no. b of Note 1		
<b>2.15</b>	<b>Trade Receivables</b>		
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	9,97,563	2,19,188
	Unsecured, considered doubtful	1,77,537	-
	Less: Provision for bad & doubtful debts	(1,77,537)	-
	<b>Total</b>	<b>9,97,563</b>	<b>2,19,188</b>
<b>2.16</b>	<b>Cash and Bank Balances</b>		
	<b>Cash &amp; Cash Equivalents</b>		
	Cash in hand	1,12,470	6,01,694
	Balances with banks in current accounts	60,98,363	14,25,692
	<b>Other Bank Balances*</b>		
	Fixed Deposit with Yes Bank	25,00,000	-
	<b>Total</b>	<b>87,10,833</b>	<b>20,27,386</b>

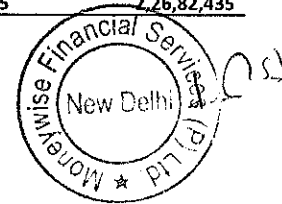
\* Bank Deposit Includes Fixed Deposit amounting to ₹ 25,00,000 (P.Y. ₹ Nil) having maturity period of one year



**Moneywise Financial Services Private Limited**  
**Notes to the financial statements**

( Amount in ₹ )

Note No.	Particulars	As at 31st March 2017	As at 31st March 2016
<b>2.17</b>	<b>Short-Term Loans and Advances</b>		
	<b>A. Loans under financing activities</b>		
	Secured, considered good	1,47,60,05,773	1,77,38,57,270
	Unsecured, considered good	40,38,51,961	38,82,56,927
	Secured, considered Sub standard <sup>1</sup>	5,00,02,301	2,50,00,000
	Unsecured, considered sub standard <sup>1</sup>	-	2,88,20,886
	Unsecured, considered doubtful <sup>1</sup>	1,67,62,400	-
	Secured, considered doubtful <sup>1</sup>	3,73,34,485	-
		<u>1,98,39,56,920</u>	<u>2,21,59,35,083</u>
	<b>B. Advances recoverable, in cash or kind</b>		
	Unsecured (advances recoverable from related parties), considered good <sup>2</sup>	16,85,58,088	19,18,03,532
	Advances recoverable in cash or in kind or for value to be received	2,06,04,959	8,70,609
		<u>18,91,63,047</u>	<u>19,26,74,141</u>
	<b>C. Other loans &amp; advances (unsecured, considered good)</b>		
	Balance with Statutory Authorities	92,848	3,47,899
		<u>92,848</u>	<u>3,47,899</u>
	<b>Total</b>	<b>2,17,32,12,815</b>	<b>2,40,89,57,123</b>
	<sup>1</sup> Refer note 2.05		
	<sup>2</sup> Refer note 2.30		
<b>2.18</b>	<b>Other Current assets</b>		
	Accrued Interest on FDR	2,055	-
	Accrued Interest on Bonds	69,29,950	3,31,352
	Accrued Interest on Gold Bonds	6,462	-
	Accrued Interest	62,82,678	2,23,51,083
	<b>Total</b>	<b>1,32,21,145</b>	<b>2,26,82,435</b>



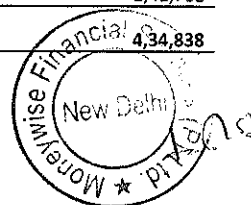
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Moneywise Financial Services Private Limited  
Notes to the financial statements

		( Amount in ₹ )	
Note No.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
2.19	<b>Revenue from operations</b>		
	Interest Income from Funding	41,03,19,836	25,44,01,849
	<b>Other Operating Income</b>		
	Profit/(Loss) on Bond Trading	77,69,537	(17,61,783)
	Income From Support Services	2,00,000	-
	Processing fees & other charges	1,46,59,311	19,48,804
	<b>Total</b>	<b>43,29,48,684</b>	<b>25,45,88,870</b>
2.20	<b>Other income</b>		
	Income from Dividend	30,464	94,133
	Advisory Services	2,77,124	1,54,11,152
	Interest on Income Tax Refund	10	-
	Profit on Sale of Fixed assets	2,40,917	45,217
	Interest Income	1,23,012	-
	Miscellaneous Income	2,37,171	24,648
	<b>Total</b>	<b>9,08,698</b>	<b>1,55,75,150</b>
2.21	<b>Operating Expenses</b>		
	Commission Expenses	1,01,85,448	53,76,042
	<b>Total</b>	<b>1,01,85,448</b>	<b>53,76,042</b>
2.22	<b>Employee Benefits Expense</b>		
	Salaries and Incentives	1,72,61,408	86,53,958
	Employers contributions to Statutory funds	8,22,604	3,45,686
	Gratuity	11,37,325	4,34,838
	Staff welfare expenses	1,16,694	1,50,838
	<b>Total</b>	<b>1,93,38,031</b>	<b>95,85,320</b>

As per Accounting Standard 15 " Employee Benefits", the disclosures as defined in the accounting standard are given below:

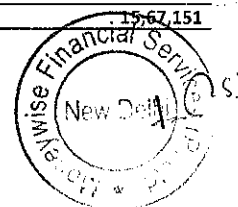
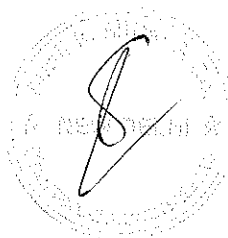
(A)	<b>Gratuity (unfunded)</b>		
	<b>Change in Present Value of Obligation</b>		
	Present Value of the Obligation as at the beginning of the year	9,20,098	6,01,597
	Current Service Cost	1,46,811	1,36,125
	Interest Cost	84,257	57,001
	Actuarial (gain)/loss on obligations	9,06,257	2,41,712
	Liabilities assumed on acquisition	69,177	-
	Benefit Paid	(5,02,779)	(1,16,337)
	<b>Present Value of the Obligation as at the end of the year</b>	<b>16,23,821</b>	<b>9,20,098</b>
	<b>Amount recognized in the Balance Sheet</b>		
	Present Value of the Obligation as at the end of the year	16,23,821	9,20,098
	Fair Value of Plan Assets as on the end of the year	-	-
	<b>Net Liability recognised in Balance Sheet</b>	<b>16,23,821</b>	<b>9,20,098</b>
	<b>Amount recognized in the Statement of Profit and Loss</b>		
	Current Service Cost	1,46,811	1,36,125
	Interest Cost	84,257	57,001
	Actuarial (gain)/loss on obligations	9,06,257	2,41,712
	<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>11,37,325</b>	<b>4,34,838</b>





Moneywise Financial Services Private Limited  
Notes to the financial statements

Note No.	Particulars	( Amount in ₹ )	
		For the year ended 31st March 2017	For the year ended 31st March 2016
	<b>Gratuity (unfunded) contd....</b>		
	<b>Reconciliation of Balance Sheet</b>		
	Present Value of the Obligation as at the beginning of the year	9,20,098	6,01,597
	Total expense recognized in the Statement of Profit and Loss	11,37,325	4,34,838
	Liabilities assumed on acquisition	69,177	-
	Benefits paid	(5,02,779)	(1,16,337)
	<b>Present Value of the Obligation as on the end of the year</b>	<b>16,23,821</b>	<b>9,20,098</b>
	<b>Bifurcation of Present Value of the Obligation as on the end of the year</b>		
	Current Liability	52,241	40,465
	Non-Current Liability	15,71,580	8,79,633
	<b>Total</b>	<b>16,23,821</b>	<b>9,20,098</b>
	<b>The principal assumptions used in determining obligations for the Company's plans are</b>		
	Discount rate	7.30%	8.05%
	Increase in compensation cost	7.00%	7.00%
	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.		
(B)	<b>Leave Encashment (unfunded)</b>		
	<b>Bifurcation of Present Value of the Obligation as on the end of the year</b>		
	Current Liability	48,277	25,484
	Non-Current Liability	4,81,235	2,35,197
	<b>Total</b>	<b>5,29,512</b>	<b>2,60,681</b>
	<b>The principal assumptions used in determining obligations for the Company's plans are shown below:</b>		
	Discount rate	7.30%	8.05%
	Increase in compensation cost	7.00%	7.00%
	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.		
2.23	<b>Finance Costs</b>		
	Interest to Bank (Term Loan)	8,09,178	-
	Interest to Bank	1,31,735	3,937
	Interest-others	12,49,57,631	6,30,33,385
	<b>Total</b>	<b>12,58,98,544</b>	<b>6,30,37,322</b>
2.24	<b>Depreciation and Amortization Expense</b>		
	Depreciation on Tangible Assets	24,50,443	15,67,151
	<b>Total</b>	<b>24,50,443</b>	<b>15,67,151</b>



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**Moneywise Financial Services Private Limited**  
**Notes to the financial statements**

		( Amount in ₹ )	
Note No.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
2.25	<b>Other Expenses</b>		
	Advertising Expenses	41,000	71,000
	Provision for Non Performing Assets <sup>1</sup>	2,35,47,438	34,45,697
	Provision for Doubtful Debts	1,77,537	-
	Provision for Standard Assets	32,31,267	52,43,854
	Provision For Diminution of Investment	80,00,000	-
	Provision for advance <sup>2</sup>	75,00,000	-
	Contribution to CSR	19,62,826	9,23,886
	Computer Repair & Maintenance	4,76,210	2,05,675
	Travelling and Conveyance	3,85,454	1,51,917
	Director Sitting Fees	2,00,000	1,70,000
	Demat Charges	1,38,432	4,960
	Membership & Subscription	1,15,492	96,755
	Legal & Professional Charges	43,67,782	6,57,753
	Repair & Maintainance	2,02,740	5,65,719
	Printing & Stationary	12,39,747	7,19,613
	ROC Fees	12,400	15,12,514
	Communication Expenses	2,20,990	6,29,743
	Electricity & Water Expenses	3,75,559	3,85,558
	Business Promotion	12,34,553	1,32,392
	Rent	9,07,500	9,00,000
	Rates & Taxes	2,138	4,726
	Vehicle Running & Maintainance	5,34,346	4,90,636
	Insurance Expenses	93,847	62,712
	Loss on Sale of Investments	1,34,83,187	-
	Securities Transaction Tax	21,660	-
	Miscellaneous Expenses	12,42,992	4,35,941
	Auditors Remuneration :		
	as statutory auditors	1,25,000	1,25,000
	as tax auditors	25,000	25,000
	Other Services	2,500	-
	<b>Total</b>	<b>6,98,67,597</b>	<b>1,69,61,051</b>

<sup>1</sup> also refer note no. 2.31

<sup>2</sup> also refer note no. 2.32



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**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

**2.26 Contingent Liability**

Particulars	(Amount in ₹)	
	As at 31st March 2017	As at 31st March 2016
Income Tax demand (A.Y 2010-11)	4,02,680/-	4,02,680/-

Note: Assessment u/s 143(3) for the A.Y. 2010-11 has completed and disallowance made on account of section 14A and TDS Credit not given although original TDS Certificate submitted for which appeal filed before CIT (Appeals) I, Kolkata.

**2.27 Earning and expenditure in foreign currency during the year are as under:**

a. Earning in Foreign Exchange	Nil
b. Expenditure in Foreign Exchange	Nil

**2.28 Estimated amount of contracts remaining to be executed on capital accounts and not provided for –Nil (Previous Year Nil).**

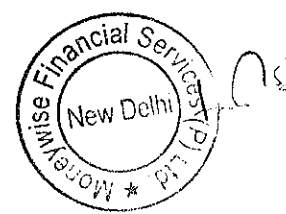
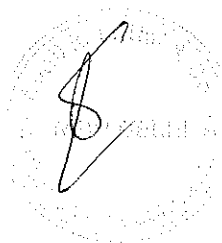
**2.29 In the opinion of the Board of Directors and to the best of their knowledge and belief the realizable value of Current Assets, Loans and Advances in ordinary course of its business is not less than the value stated in the Balance Sheet.**

**2.30 Related Party Disclosures**

The following are the details of transactions with related parties as defined in the Accounting Standard - 18 on Related Party Disclosures notified u/s 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

**A. Name of Related Parties and description of relationship**

Nature of Relationship	Name of Related Parties
<b>Key Managerial Personnel</b>	<b>Whole Time Director</b> Mr. Ajay Garg Mr. Himanshu Gupta
	<b>Executive Officers</b> Ms. Vandana Jhinjheria (from 06/02/2017 Mr. Ashu Batra (upto 30/12/2016)
<b>Holding Company</b>	SMC Global Securities Limited
<b>Fellow Subsidiary Companies</b> (with which the company had transactions)	SMC Comtrade Limited Indunia Realtech Limited SMC Capitals Limited SMC Finvest Limited SMC Real Estate Advisors Private Limited SMC Investments & Advisors Limited Moneywise Finvest Limited



**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

Nature of Relationship	Name of Related Parties
------------------------	-------------------------

**Other related parties in which key managerial personnel are able to exercise significant influence** Pulin Investment Pvt Ltd  
(with which the company had transactions)

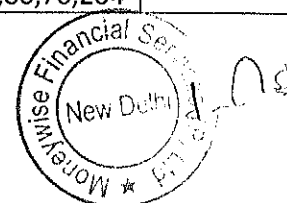
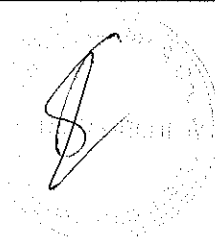
Dee Faces Herbal Private Limited

*Note: Related party relationship is as identified by the company and relied upon by auditor.*

**B. Significant Transactions with Related Parties**

(Amount in ₹)

S.No.	Party Name	Particulars of Transactions	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
1.	Whole Time Director Executive Officers	Remuneration to Whole Time Director Remuneration to Executive officers	33,09,606 2,42,435	-- 25,18,058
2.	SMC Global Securities Limited	a) Expense: -Office rent -Brokerage charges -Demat charges b) Reimbursement: Reimbursement of expenses paid	9,07,500 32,488 7,913 2,876	9,00,000 4,65,594 2,733 2,463
3.	SMC Capital Ltd	a) Income: -Advisory services b) Expense: -Interest expense c) Loan and Advances <sup>#</sup> : -Loan repaid -Loan taken	-- 1,09,84,691 36,33,777 --	1,50,00,000 67,55,374 -- 6,14,30,837
4.	SMC Real Estate Advisors Private Limited	a) Income: -Interest income b) Loan and Advances <sup>#</sup> : -Loan recovered -Loan given	2,18,52,982 3,82,32,317 --	1,13,42,923 -- 10,25,83,629
5.	Indunia Realtech Limited	a) Income: -Interest income b) Loan and Advances <sup>#</sup> : -Loan recovered -Loan given -Loan repaid	17,77,735 1,67,47,434 -- --	12,68,689 -- 1,75,17,088 7,69,654
6.	Moneywise Finvest Limited	a) Income: -Interest income b) Expense: -Interest expense c) Loan and Advances <sup>#</sup> : -Loan given	2,61,609 3,68,466 3,80,70,204	27,562 2,18,215 --

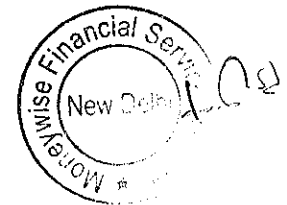


**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

S.No.	Party Name	Particulars of Transactions	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
		-Loan repaid	16,48,563	--
		-Loan taken	--	13,91,289
7.	Dee Faces Herbal Private Limited	a) Income: -Interest income	--	24,10,398
		b) Loan and Advances <sup>#</sup> : -Loan given	--	4,87,60,404
		-Loan repaid	--	4,87,60,404
8.	SMC Finvest Limited	a) Expense: -Interest expense	1,10,30,831	90,05,552
		b) Loan and Advances <sup>#</sup> : -Loan taken	4,89,07,747	61,44,996
9.	SMC Comtrade Limited	a) Expense: -Interest expense	5,07,79,067	3,68,58,195
		b) Reimbursement -Reimbursement of expenses received	69,177	--
		c) Loan and Advances <sup>#</sup> : -Loan repaid	56,83,43,036	--
		-Loan taken	--	74,49,87,973
10.	SMC Investments & Advisors Limited	a) Expense: -Interest expense	90,88,684	--
		-Commission expense	11,25,000	33,400
		b) Loan and Advances <sup>#</sup> : -Loan taken	17,91,14,583	--
11.	Pulin Investment Pvt Ltd	a) Expense: -Interest expense	2,87,763	--
		b) Loan and Advances <sup>#</sup> : -Loan taken	99,37,762	--
		-Loan repaid	99,37,762	--
		-Loan given	3,09,180	--

\*Exclusive of amount paid on behalf of constituents.

#Loans & advances to related party is net of loan given, taken, recovered and repayment.



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**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

**C. Balances with Related Parties**

(Amount in ₹)

Name of Related Party	Balance sheet head	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Moneywise Finvest Limited	Short Term Borrowings	--	16,48,563
SMC Comtrade Limited	Short Term Borrowings	46,36,00,647	1,03,19,43,683
SMC Finvest Limited	Short Term Borrowings	15,34,69,706	10,45,61,959
SMC Capitals Limited	Short Term Borrowings	10,57,29,802	10,93,63,579
Smc Investments & Advisors Ltd.	Short Term Borrowings	17,91,14,583	--
SMC Real Estate Advisors Private Limited	Short Term Loans & Advances	13,18,27,267	17,00,59,584
Indunia Realtech Limited	Short Term Loans & Advances	--	1,67,47,434
Moneywise Finvest Limited	Short Term Loans & Advances	3,64,21,641	--
Pulin Investment Pvt Ltd	Short Term Loans & Advances	3,09,180	--
SMC Comtrade Limited	Short Term Loans & Advances	69,177	--

**2.31** Provision for Non Performing Assets of ₹ 2,98,29,527 (Previous Year ₹ 62,82,089) is net of bad debts written off of Nil (Previous Year ₹ 20,31,302).

**2.32** Provision for Doubtful advances of ₹ 90,06,244 (Previous Year ₹ 15,06,244) is net of bad debts written off of ₹ Nil (Previous Year ₹ 24,21,266).

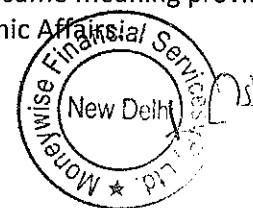
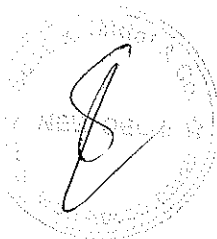
**2.33 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in MCA notification G.S.R 308(E) dated march 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particular	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	-	49,150	49,150
(+) Permitted receipts	-	1,10,000	1,10,000
(-) Permitted payments	-	89,954	89,954
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	69,196	69,196

\* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of government of india, in the finance, Department of Economic Affairs





**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

**(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**

i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	Nil
(b) Operating lease	Nil
ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	Nil
(b) Repossessed assets	Nil
iii) Hypothecation loans counting towards AFC activities	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

**(4) Break-up of Investments:**  
**Current Investments :**

1. Quoted :

i) Shares :(a) Equity	Nil
(b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others (please specify)	Nil

2. Unquoted :

i) Shares :(a) Equity	Nil
(b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others ( please specify)	Nil

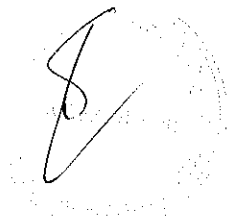
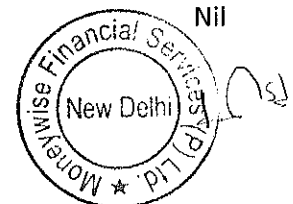
**Long Term Investments :**

1. Quoted

i) Shares :(a) Equity	2,61,86,500
(b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	15,59,500
v) Others ( please specify)	Nil

2. Unquoted :

i) Shares :(a) Equity (Net of Provision)	20,19,150
(b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others ( please specify )	Nil



**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions (₹)		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	16,82,48,908	16,82,48,908
(c) Other related Parties	Nil	3,09,180	3,09,180
<b>2. Other than related parties</b>	2,59,78,72,877	59,56,61,879	3,19,35,34,756
<b>TOTAL</b>	<b>2,59,78,72,877</b>	<b>76,42,19,967</b>	<b>3,36,20,92,844</b>

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market value (Net of provision)	Book value (Net of provision)
	(₹)	(₹)
<b>1. Related parties</b>		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
<b>2. Other than related parties*</b>	1,97,04,696	2,97,65,150
<b>TOTAL</b>	<b>1,97,04,696</b>	<b>2,97,65,150</b>

\* Market Value of Unquoted Investments has been taken at cost.

**2.36 Other Information**

Particulars	Amount in ₹
<b>i) Gross Non-Performing Assets</b>	
a) Related parties	Nil
b) Other than related parties	10,46,99,186
<b>ii) Net Non-Performing Assets</b>	
a) Related parties	Nil
b) Other than related parties	7,48,69,659
<b>iii) Assets acquired in satisfaction of debt</b>	Nil



**Moneywise Financial Services Private Limited**  
**Notes to the Financial Statements**

**2.37** Previous year's figures have been re-arranged and re-grouped wherever found necessary and figures have been rounded off to the nearest rupee.

**As per our Audit Report of even date attached.**

**For Sunil K. Mittal & Co.**

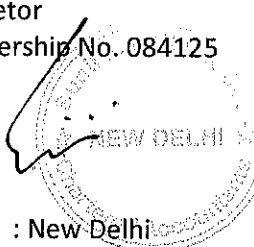
*Chartered Accountants*

ICAI Firm's Registration No: 008524N

**Sunil Kumar Jain**

Proprietor

Membership No. 084125



Place : New Delhi

Date : 22nd May, 2017

**for and on Behalf of the Board**

**Ajay Garg**  
*Chairman & Chief  
Executive Officer*  
DIN: 00003166

**Himanshu Gupta**  
*Director & Chief  
Financial Officer*  
DIN: 03187614

**Vandana Jhinjheria**  
*Company Secretary*