

## INDEPENDENT AUDITOR'S REPORT

To

The Members of SKP Insurance Advisors Private Limited

### Report on the Financial Statements

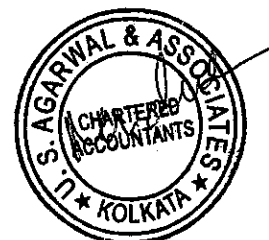
1. We have audited the accompanying financial statements of SKP Insurance Advisors Private Limited ('the Company'), which comprises the Balance Sheet as at 31.03.2017 and the Statement of Profit and Loss and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. 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 of these financial statements to give a true and fair view of the financial position and financial performance 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 of 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

3. Our responsibility is to express an opinion on financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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.
7. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, and its profit for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

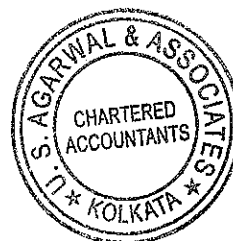
9. The Companies (Auditor's Report) Order, 2015 issued by the Government of India in terms of Section 143(11) of the Act is not applicable on the company.
10. As required by Section 143 (3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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.
  - 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.
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of the written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of section 164(2) of the Act.
  - 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 A.
  - 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 knowledge and belief and according to the information and explanations given to us:
    - As informed to us the Company does not have any pending litigations which would impact its financial position.
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No. 16 to the financial statements.

42/1, B. B. Ganguly Street  
Kolkata-700012  
Date: 19/04/2017

For U S AGARWAL & ASSOCIATES  
Chartered Accountants  
FRN- 314213E

*Mridula Agarwal*

CA Mridula Agarwal (306592)  
Partner



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 10(f) of the Independent Auditors Report of even date to the members of SKP Insurance Advisors Private Limited on the financial statements for the year ended 31.03.2017.

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

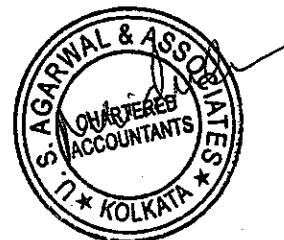
- 1) In conjunction with our audit of the financial statements of the Company as of and for the year ended 31.03.2017, we have audited the internal financial controls over financial reporting of SKP Insurance Advisors Private Limited.

#### Management's Responsibility for Internal Financial Controls

- 2) The Company's management is responsible for establishing and maintaining internal financial controls based on "internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 Act.

#### Auditors' Responsibility

- 3) 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"), issued by ICAI and the Standards on Auditing 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.
- 4) 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.
- 5) 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

- 6) 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 unauthorised 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

- 7) 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

- 8) 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 31.03.2017 based on internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

42/1, B. B. Ganguly Street  
Kolkata-700012  
Date: 19/04/2017

For U S AGARWAL & ASSOCIATES  
Chartered Accountants  
FRN- 314213E

*Mridula Agarwal*

CA Mridula Agarwal (306592)  
Partner



**SME INSURANCE ADVISORS PRIVATE LIMITED**

**BALANCE SHEET AS AT 31.03.2017**

<u>Particulars</u>	<u>Note No.</u>	<u>As at</u> <u>31.03.2017</u> <u>Rs.</u>	<u>As at</u> <u>31.03.2016</u> <u>Rs.</u>
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share Capital	3	200,000.00	200,000.00
b) Reserve & Surplus	4	1,264,200.61	1,255,020.75
<b>2 Current Liabilities</b>	5		
a) Other Current Liabilities		5,750.00	7,929.00
b) Short Term Provisions		104,185.38	100,275.38
		<u>1,574,135.99</u>	<u>1,563,225.13</u>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
a) Trade Receivables	6	16,598.00	18,834.00
<b>2 Current Assets</b>	7		
a) Cash & Cash Equivalents		1,111,726.99	1,159,172.13
b) Short Term Loans & Advances		445,811.00	385,219.00
		<u>1,557,537.99</u>	<u>1,544,391.13</u>
		<u>1,574,135.99</u>	<u>1,563,225.13</u>

See accompanying notes ( 1 to 17) to the financial statements.

As per our report of even date  
For **U S AGARWAL & ASSOCIATES**

Chartered Accountants  
Firm Regn No. 314213E

*Mridula Agarwal*

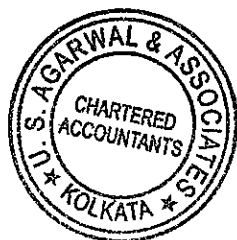
**CA MRIDULA AGARWAL**

Partner

Membership No. 306592

Kolkata

Dated : 19.04.2017



For and on behalf of Board of Directors

*Naresh Pachisia*

**Naresh Pachisia**  
Director  
(DIN: 00233768)

*Nikunj Pachisia*

**Nikunj Pachisia**  
Director  
(DIN: 06933720)

**SKP INSURANCE ADVISORS PRIVATE LIMITED**

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDING 31.03.2017**

<b><u>Particulars</u></b>	<b><u>Note No.</u></b>	<b><u>2016-17</u></b> <b>Rs.</b>	<b><u>2015-16</u></b> <b>Rs.</b>
Revenue from Operations	8	605,933.00	727,986.20
Other Income	9	381,018.72	350,860.22
<b>Total Revenue</b>		<b>986,951.72</b>	<b>1,078,846.42</b>
<b><u>EXPENSES</u></b>			
Employee Benefit Expense	10	949,265.00	926,272.00
Other Expenses	11	24,596.86	27,758.22
<b>Total Expenses</b>		<b>973,861.86</b>	<b>954,030.22</b>
Profit before tax		13,089.86	124,816.20
Tax expense: -Current Tax		3,910.00	38,567.38
Profit after Tax		<b>9179.86</b>	<b>86248.82</b>
Earnings per Share - Basic & Diluted	13	0.46	4.31

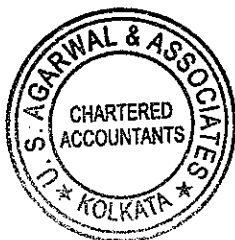
See accompanying notes ( 1 to 17) to the financial statements.

As per our report of even date  
For **U S AGARWAL & ASSOCIATES**  
*Chartered Accountants*  
Firm Regn No. 314213E

*Mridula Agarwal*

**CA MRIDULA AGARWAL**  
*Partner*  
Membership No. 306592

Kolkata  
Dated : 19.04.2017



For and on behalf of Board of Directors

*Naresh Pachisia*

**Naresh Pachisia**  
Director  
(DIN: 00233768)

*Nikunj Pachisia*

**Nikunj Pachisia**  
Director  
(DIN: 06933720)

**SKP INSURANCE ADVISORS PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2017**

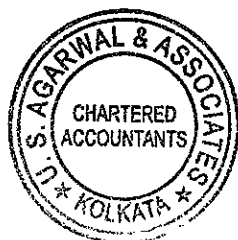
	<u>YEAR ENDED</u> <u>31.03.2017</u> <u>Rs.</u>	<u>YEAR ENDED</u> <u>31.03.2016</u> <u>Rs.</u>
<b>A. Cash flow from operating activities :</b>		
Net profit before tax and extra-ordinary items	13,090	124,816
Adjustments for :		
Add/(Less):		
Depreciation	-	-
Issue/Preliminary Expenses written off	-	-
Interest Expense	-	-
Dividend	-	-
Interest earned on Fixed deposit	-	-
Operating profit before working Capital changes	<u>13,090</u>	<u>124,816</u>
Adjustments for change in Working Capital :		
Adjustments for :		
(Increase)/Decrease in Debtors	2,236	-
(Increase)/Decrease in Other Current Assets	-	-
(Increase)/Decrease in Loans & Advances	-	-
Increase/(Decrease) in Current Liabilities	(2,179)	(8,410)
Cash generated from operation	<u>57</u>	<u>(8,410)</u>
Tax paid	(60,592)	(72,615)
Cash flow before extraordinary items	<u>(60,535)</u>	<u>(81,025)</u>
Net cash from operating activities	<u>(47,445)</u>	<u>43,791</u>
<b>B. Cash flow from investing activities :</b>		
Purchase of Fixed assets	-	-
Sale/Discard of Fixed Assets	-	-
Purchase/Sale of Investments	-	-
Interest Received	-	-
Dividend Received	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
<b>C. Cash flow from financial activities :</b>		
Proceeds from Issuance of Equity Share Capital	-	-
Secured Loan	-	-
Dividends Paid including Tax on Dividend	-	-
Interest expense	-	-
Net cash from/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	(47,445)	43,791
Opening Cash and cash equivalents	1,159,172	1,115,381
Closing Cash and cash equivalents	1,111,727	1,159,172

For **U S AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 314213E

*Mridula Agarwal*

**CA Mridula Agarwal**  
(Partner)  
(Membership No. 306592)

42/1, B.B. Ganguly Street  
Kolkata - 700 012.  
Dated : 19.04.2017



For and on behalf of Board of Director

*Naresh Pachisia*

**Naresh Pachisia**  
Director  
(DIN: 00233768)

*Nikunj Pachisia*

**Nikunj Pachisia**  
Director  
(DIN: 06933720)

**SKP INSURANCE BROKERS & ADVISORS PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1) CORPORATE INFORMATION**

SKP Insurance Advisors Private Limited (the Company) is a Private Limited Company incorporated in India under the provisions of the Companies Act, 1956. The Company is dealing in business of providing advisory services.

**2) SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Accounting**

The financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India. The Company has prepared the financial statements to comply in all material respect with the Accounting Standards notified under the Companies ( Accounting Standard ) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

The Company follows Mercantile System of Accounting and recognises its Income & Expenditure on accrual basis.

**2.2 Uses of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

**2.3 Earnings Per Share**

Basic EPS is calculated by dividing the Net Profit for the year attributable to Equity Shareholders by the weighted number of Equity Shares outstanding during the year.

**2.4 Provision for Current Tax**

Provision for Current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'previous year'.

**2.5 Provisions, Contingent Liabilities and Contingent Assets:**

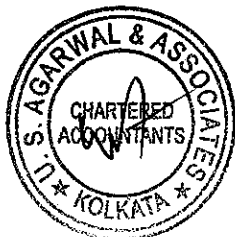
Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

**3) SHARE CAPITAL**

	<u>As at</u> <b>31.03.2017</b> <u>Rs.</u>	<u>As at</u> <b>31.03.2016</b> <u>Rs.</u>
a <b>AUTHORISED</b> 500000 Equity Shares of Rs. 10/- each	5,000,000.00	5,000,000.00
b <b>ISSUED, SUBSCRIBED &amp; PAID UP</b> 20000 Equity Shares of Rs. 10/- each	200,000.00	200,000.00
c Shareholder holding more than 5% Shares		

Name of Shareholder	As at 31.3.2017		As at 31.3.2016	
	No	% of holding	No	% of holding
SKP Securities Limited	20,000	100	20,000	100



SKP Insurance Advisors Private Limited  
  
 Director

SKP Insurance Advisors Private Limited  
  
 Director



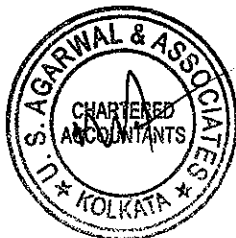
d Reconciliation of number of shares

Particulars	2016-17		2015-16	
	Number of Shares	Amount	Number of Shares	Amount
Opening Balance	20,000	Rs 200,000	20,000	200,000
Changes during the year	-	-	-	-
Closing Balance	20,000	200,000	20,000	200,000

e Rights, Preferences and Restrictions attaching to each class of shares

The Company has only 1 Class of Equity Shares having a par value of Rs 10/- per share. Each holder of Equity Share 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 the proportion to the No. of shares held by the shareholders.

4)	<b>RESERVES &amp; SURPLUS</b>		
	<u>Profit &amp; Loss Account</u>		
	As per last Account		
	Add : Profit for the year	1,255,020.75	1,168,771.93
		9,179.86	86,248.82
		<u>1,264,200.61</u>	<u>1,255,020.75</u>
5)	<b>CURRENT LIABILITIES</b>		
a	<u>Other Current Liabilities</u>		
	Other Liabilities	5,750.00	7,929.00
		<u>5,750.00</u>	<u>7,929.00</u>
b	<u>Short Term Provisions</u>		
	Provision for tax	104,185.38	100,275.38
		<u>104,185.38</u>	<u>100,275.38</u>
6)	<b>NON CURRENT ASSETS</b>		
a	<u>Trade Receivables</u>		
	(Unsecured, considered Good)		
	More than six months	16,598.00	18,834.00
		<u>16,598.00</u>	<u>18,834.00</u>
7)	<b>CURRENT ASSETS</b>		
a	<u>Cash &amp; Cash Equivalents</u>		
	i) Balances with Banks	1,108,449.67	1,152,894.81
	ii) Cash on Hand (as certified by Management)	3,277.32	6,277.32
		<u>1,111,726.99</u>	<u>1,159,172.13</u>
b	<u>Short Term Loans &amp; Advances:</u>		
	Advance Income Tax	445,811.00	385,219.00
		<u>445,811.00</u>	<u>385,219.00</u>
		<b>2016-17</b>	<b>2015-16</b>
		<b>Rs.</b>	<b>Rs.</b>
8)	<b>REVENUE FROM OPERATIONS</b>		
	Insurance Commissions	5,933.00	7,986.20
	Advisory Fees	600,000.00	720,000.00
		<u>605,933.00</u>	<u>727,986.20</u>
9)	<b>OTHER INCOME</b>		
	Referral Fees	279,663.00	292,452.00
	Profit on Sale of Investments	101,355.72	58,408.22
		<u>381,018.72</u>	<u>350,860.22</u>



SKP Insurance Advisors Private Limited

Director

SKP Insurance Advisors Private Limited

Director

10) **EMPLOYEES BENEFIT EXPENSES**

Salary	949,265.00	926,272.00
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11) **OTHER EXPENSES**

Rate & Taxes	4,400.00	4,400.00
Auditors' Remuneration		
Audit Fees	5,750.00	5,725.00
For other Services	2,300.00	13,241.00
Bank Charges	196.86	193.96
Computer Expenses	10,200.00	-
Filing Fees	1,000.00	4,000.00
Professional Fees	501.00	-
Miscellaneous Expenses	249.00	198.26
	<u>24,596.86</u>	<u>27,758.22</u>

12) **Related party and relationship for which disclosure is required under AS 18:**

Holding Company	SKP Securities Limited	
Key Management Person	Mr. Naresh Pachisia	Director
	Mr. Nikunj Pachisia	Director

Transaction with Related Party	Holding Company	Concerns over which KMP have substantial
i) Advisory Service	(720,000)	(0)

ii) There are no amount due from related parties and hence no provision for doubtful debts in respect of dues from such related parties is required.

iii) Figures in bracket pertain to previous year.

13) **Earnings per share:**

Particulars	2016-17 (RS)	2015-16 (RS)
Net profit for the year attributable to Equity Shareholders	9179.86	37884.91
Weighted Average Number of Equity Shares	20000	20000
Basic & Diluted earnings per share of Rs.10 each	0.46	1.89

14) Additional Information:

Traded Items	2016-17		2015-16	
	Quantity In Nos.	Amount Rs.	Quantity In Nos.	Amount Rs.
Opening Stock of Mutual Fund Units	-	-	-	-
Purchases of Mutual Fund Units	879.453	1840000	715.894	1375000
Switched/Redemption of Mutual Fund Units	879.453	1941355	715.894	1433408
Closing Stock of Mutual Fund Units	-	-	-	-

15) The Company has not received any information from any of the suppliers as defined under the "Micro, Small and Medium Enterprises Act, 2006". Hence, the amount outstanding to these units as on 31st March 2017 is not ascertainable.

16) Details of specified bank notes deposited during demonetisation

Particulars	Specified Bank Notes	Other Denomination notes	Total
Closing Cash Balance as on 8.11.2016	3,000	3,277	6,277
Add : Permitted receipts	-	-	-
Less : Permitted payments	-	-	-
Less : Amount deposited in Bank	3,000	-	3,000
Closing Cash in hand as on 31.12.2016	-	3,277	3,277

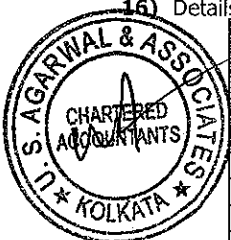
17) Figures for the Previous Year have been regrouped / rearranged wherever necessary

SKP Insurance Advisors Private Limited

SKP Insurance Advisors Private Limited

Director

Director



*(Signature)*  
Director

*(Signature)*  
Director