

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SYSTEMATIX FINVEST PRIVATE LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **SYSTEMATIX FINVEST PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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 thereunder. 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<sup>st</sup> March, 2017, and its Profit and its cash flows for the year ended on that date.

## Emphasis of Matters

We draw attention to the following matter Note no 21 in the Notes to the financial statements:

“A massive fire broke out in the Registered office of the Company at J K Somani Building 2nd Floor British Hotel Lane Fort Mumbai-400001 on 30/11/2016 at 21.30 hours in which the fixed assets including IT Systems, books of account maintained in the IT systems, bills, Vouchers, Statutory records like Service Tax returns, e-TDS returns, RBI returns, and correspondence with clients got destroyed. However, the books of accounts have been recovered from the mirror server maintained as a part of disaster recovery system (DRS); copies of bank statements have been obtained. Soft copies of the various statutory returns such as Service Tax returns, e-TDS returns, RBI returns and returns have been downloaded from the respective websites Confirmations of balances were sent to all clients subsequently. Thus the accounts have been compiled for the period up to 30/11/2016 and were subject to audit “

In accordance with Standards on auditing we applied other alternate audit procedure so as to obtain sufficient and appropriate audit evidence and found that the financial statements prepared from the books of account and other records retrieved as mentioned above are free from material misstatement enabling us to express opinion on true and fair view of the financial statements.

## Report on Other Legal and Regulatory Requirements

1.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.
- (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<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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 A".

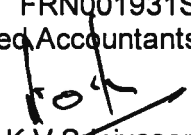
(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) the Company has no pending litigation impacting the financial position in its financial statements .
- (ii) the Company did not have any long-term contracts, including derivative contracts; and
- (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the investor Education and protection Fund. Therefore the question of delay in transferring such sums does not arise.
- (iv) The Company has provided requisite disclosure 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 the Audit procedure and relying on the management representation we report that the disclosure are in accordance with books of account maintained by the company and as produced to us by the management. (Refer Note 27)

2. 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 "B" a statement on the matters specified in the Paragraphs 3 and 4 of the Order, to the extent applicable.

For Maharaj N R Suresh and Co  
FRN001931S  
Chartered Accountants



  
K V Srinivasan  
Partner  
M.No:204368

Place: Mumbai  
Date: 26.05.2017

**ANNEXURE "A" to The Independent Auditor's Report of even date on the Standalone Financial Statements of Systematix Finvest Private Limited.**

**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 Systematix Finvest Private Limited ("the Company") as of March 31, 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 judgement, 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:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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 authorisations of management and Directors of the company; and
- (iii) 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

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 March 31, 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.

## Annexure "B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Systematix Finvest Private Limited

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) These fixed assets have been physically verified by the Management at reasonable intervals which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanation received by us, as the company owns no immovable properties, the requirements on reporting whether title deeds of immovable properties held in the name of the Company not applicable.




- (ii) According to the information and explanations given to us, the company does not have any inventories as defined in AS -2 valuation of Inventories and hence in our opinion reporting on clause 3(ii) of the Companies (Auditor's report) order 2016 does not arise.
- (iii) The Company has granted loans to four companies covered in the register maintained under section 189 of the Companies Act, 2013.
- (a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest;
- (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (c) There are no overdue amounts.
- (iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 1956 in respect of Loans, provided by the company. The company has not made any investments nor provided any guarantee or security to any company covered under Section 185
- (v) The Company has not accepted any deposits from the public
- (vi) As per the explanation and information given to us, the Company is not required to maintain cost Records pursuant to Sub-section (1) of Section 148 of the Companies Act, 2013. Accordingly the clause 3 (vi) of the order is not applicable to the company.
- (vii) According to the information and explanations given to us in respect of Statutory dues:
- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Wealth tax, Service tax, and other material statutory dues applicable to it. There were no undisputed amounts payable in respect of Income Tax, Wealth tax, and Service tax, were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax and cess, which have not been deposited on account of any dispute .
- (viii) The Company has not defaulted in repayment of dues to financial institutions, banks, Government or to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer term loans (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Companies Act.



- (xii) The Company is not a Nidhi company and hence clause (xii) of Paragraph 3 is not applicable to the Company.
- (xiii) All Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is a Non –Banking Financial Company and is required to be registered under section 45-I of the Reserve bank of India. The Company has obtained the registration.

For Maharaj N R Suresh and Co  
FRN001931S  
Chartered Accountants



  
K V Srinivasan  
Partner  
M.No:204368

Place: Mumbai  
Date:26.05.2017

**SYSTEMATIX FINVEST PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2017**

Particulars	Note No	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds</b>			
(a) Share Capital	2	18,782,000	18,782,000
(b) Reserve and Surplus	3	102,319,020	101,028,561
<b>(2) Current Liabilities</b>			
(a) Short Term Borrowings	4	264,128,591	223,839,886
(b) Trade Payable	5	194,276	186,380
(c) Other Current Liabilities	6	539,295	1,115,303
(d) Short Term Provisions	7	2,107,644	1,474,064
<b>TOTAL</b>		<b>388,070,826</b>	<b>346,426,194</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	8	3,993	8,568
(b) Non Current Investments	9	-	156,130,000
(b) Deferred Tax Assets	10	686,000	479,000
(c) Long Term Loans & Advances	11	729,551	10,413,280
<b>(2) Current assets</b>			
(a) Inventories	12	-	2,087,332
(b) Cash and Cash Equivalent	13	46,357,626	20,068,434
(c) Short Term Loans and Advances	14	340,293,656	157,239,580
<b>TOTAL</b>		<b>388,070,826</b>	<b>346,426,194</b>
<b>Notes on Financial Statements</b>		1 to 28	

Vide our Report of even date  
For Maharaj N R Suresh and Co  
FRN NO:001931S  
Chartered Accountants

K V Srinivasan  
Partner  
M.No:204368

Place: Mumbai  
Date: 26-05-2017



For & on behalf of the Board of Directors

*C. P. Khandelwal*  
C. P. Khandelwal  
Director

*Priyanka Khandelwal*  
Priyanka Khandelwal  
Director

*Handwritten marks and initials in blue ink at the bottom left corner.*



**SYSTEMATIX FINVEST PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	Note No	Year Ended	Year Ended
		31.03.2017	31.03.2016
		₹	₹
<b>REVENUE</b>			
I. Revenue from Operations	15	70,267,898	73,836,186
II. Other Income	16	1,386,425	639,245
<b>Total Revenue</b>		<b>71,654,323</b>	<b>74,475,431</b>
<b>EXPENSES</b>			
III. Employee Benefits Expenses	17	11,727,551	13,771,641
Finance Cost	18	53,582,775	51,884,221
Depreciation & Amortisation Expenses	8	4,575	4,576
Other Expenses	19	4,129,637	5,692,659
<b>Total Expenses</b>		<b>69,444,538</b>	<b>71,353,097</b>
IV. Profit/Loss before Exceptional and Extraordinary items and Tax		2,209,785	3,122,334
V. Exceptional Items		-	-
VI. Profit/Loss before Extraordinary Items and Tax		2,209,785	3,122,334
VII. Extraordinary Items		-	-
VIII. <b>Profit/Loss Before Tax</b>		<b>2,209,785</b>	<b>3,122,334</b>
IX. Tax Expenses			
1) Current Tax		880,000	904,000
2) Income Tax Relating to Earlier Years		246,326	(285)
3) Deferred Tax		(207,000)	65,000
X. Profit/Loss for the Period from Continuing Operation		1,290,459	2,153,619
XI. Profit for the year		1,290,459	2,153,619
XII. Earnings per equity shares			
1) Basic ( Annualised )		6.87	11.47
2) Diluted (Annualised)		6.87	11.47

Notes on Financial Statements

1 to 28

Vide our Report of even date  
For Maharaj N R Suresh and Co  
FRN NO:001931S  
Chartered Accountants

K V Srinivasan  
Partner  
M.No:204368

Place: Mumbai  
Date: 26-05-2017



For & on behalf of the Board of Directors

C. P. Khandelwal  
Director

Priyanka Khandelwal  
Director

Handwritten initials and marks in blue ink at the bottom left corner.

## **(1) Notes on Accounts**

### **1. Significant Accounting Policies**

#### **A) General**

The Financial statements have been prepared on historical Cost Convention and in accordance with Generally Accepted Accounting Principles and Complying with the Applicable Accounting Standards notified under relevant provisions of the Companies Act, 2013.

#### **B) Property, Plant & Equipments**

Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than a period of twelve months.

Property, plant and equipment are stated at historical cost after deducting any accumulated depreciation and accumulated impairment losses.

Cost of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation on fixed assets is provided under straight line method in accordance with estimated useful lives as specified in Schedule II to the Companies Act, 2013, and reckoning the residual value at 5% of the original cost of the asset.

Intangible assets are amortized equally over the estimated useful life not exceeding five years.

#### **C) Investments**

Investments are classified into long term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are intended to be held for less than one year are classified as current investments.

Long term investments are valued at cost. Provision for diminution in value of long term investments is made if in the opinion of management such a decline is other than temporary.

Current investments are valued at cost or fair value, whichever is lower.



#### **D) Inventories**

Securities which are intended to be held for less than one year form part of Inventories and are valued at lower of cost and net realisable value.

#### **E) Revenue and Expenditure Recognition**

- Interest Income on performing assets is recognized on accrual basis.
- Interest income on non-performing assets is recognized on realisation basis. Recovery in Non Performing assets is first appropriated towards Interest and the balance if any, towards principal.
- Dividend Income is recognized on receipt basis.
- In Respect of Other items of Income, the Company accounts the same on accrual basis.
- Expenditure is accounted for on their accrual.

#### **F) Employee Benefits**

Short-term Employee benefits are charged at the undiscounted amount to Statement of Profit and Loss in the year in which related service is rendered.

Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an Independent actuary using projected Unit Credit method as at the Balance Sheet date. Actuarial gains or losses are recognized immediately in the Statement of Profit & Loss.

#### **G) Impairment of Assets**

Impairment loss, if any is provided to the extent the carrying amount of assets exceeds their recoverable amount.

#### **H) Taxes on Income**

Current tax is the amount of tax payable on the Taxable Income for the year as determined in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is recognized, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one more subsequent period. Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that there will be sufficient future taxable income available against which such deferred tax asset can be realized.

#### **I) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Contingent Liabilities are disclosed, unless the possibility of any outflow in settlement is remote, in the Notes on Accounts. Contingent Assets are neither recognized nor disclosed.



## J) Reserve Bank of India Prudential Norms:

The Company follows the Guidelines issued by the Reserve Bank of India Act, 1934 in respect of income recognition and Provisioning for non-performing assets.

Loans and Advances-Asset classification and Provision norms followed pursuant to Notification DNBS (PD) CC No.044/03.10.119/2015-16 dt 01.07.2015 issued by Reserve Bank of India for Non Banking financial (Non deposit Accepting or Holding Companies)

Considered as	Definition	Recognition of Service charges	Provisioning Policy
<b>A) Performing Asset</b>			
Good	Interest in unrealized for 6 months and less	On accrual basis	0.25% of Loan amount Outstanding
<b>B) Non performing Asset</b>			
Sub Standard	Interest is unrealised greater than 6 to 24 months	On receipt basis	10% of loan amount outstanding
Doudtful	Interest is unrealized for more than 24 months	On receipt basis	24 to 36 Months 20% 36 to 60 Months 30% More than 60 Months 100 %
Loss	As asset which has been identified as Loss assets.	On receipt basis	100% of loan amount outstanding



**SYSTEMATIX FINVEST PRIVATE LIMITED**

Particulars	Year ended 31.03.2017		Year ended 31.03.2016	
	₹		₹	
<b>2) SHARE CAPITAL</b>				
<b>a) Authorised</b>	<b>Par Value</b>		<b>Par Value</b>	
225000 Equity Shares	100	<u>22500000</u>	100	<u>22500000</u>
<b>b) Issued Subscribed and fully Paid-up</b>				
187820 Equity Shares	100	<u>18782000</u>	100	<u>18782000</u>
<b>Total</b>		<u><b>18782000</b></u>		<u><b>18782000</b></u>
<b>c) Reconciliation of shares outstanding at the beginning and at the end of the year:</b>				
<b>Equity Shares</b>	<b>No.</b>	<b>Value</b>	<b>No.</b>	<b>Value</b>
Shares outstanding at the beginning of the year	187820	18782000	187820	18782000
Shares outstanding at the end of the year	187820	18782000	187820	18782000
<b>d) Details of shares held by Holding Company/Ultimate Holding Company and their subsidiaries and associates</b>				
	<b>31.03.2017</b>		<b>31.03.2016</b>	
Systematix Corporate Services Ltd	187820		187820	
<b>e) List of Shareholders holding more than 5%</b>				
<b>Name of Shareholder</b>	<b>As At 31.03.2017</b>		<b>As At 31.03.2016</b>	
	<b>Number of Shares</b>	<b>Percentage Holding</b>	<b>Number of Shares</b>	<b>Percentage Holding</b>
Systematix Corporate Services Ltd	187820	100%	187820	100%
<b>3) RESERVE &amp; SURPLUS</b>				
<b>Securities Premium Account</b>				
As per last Balance Sheet		90,000,000		90,000,000
<b>Reserve Fund ( U/s 45 -IC of the RBI,Act 1934)</b>				
Opening Balance	2,395,000		1,955,000	
Add:				
Amount Transferred from Surplus in Statement of Profit & Loss	260,000		440,000	
Closing Balance		<u>2,655,000</u>		<u>2,395,000</u>
<b>Surplus in balance in statement of Profit and Loss</b>				
Opening Balance	8,633,561		6,919,942	
Add :Profit for the year	<u>1,290,459</u>		<u>2,153,619</u>	
	9,924,020		9,073,561	
<b>Appropriations</b>				
Less:				
Transferred to Reserve Fund U/s 45IC of the RBI Act, 1934	<u>260,000</u>		<u>440,000</u>	
Net Surplus in Statement of Profit and Loss		9,664,020		8,633,561
<b>Total</b>		<u><b>102,319,020</b></u>		<u><b>101,028,561</b></u>
<b>4) SHORT TERM BORROWINGS</b>				
<b>Secured</b>				
<b>a) Other Loans and Advances</b>				
Loan against Shares (Refer Note 21)		90,810,030		22,320,673
<b>Unsecured</b>				
<b>b) Other Loans and Advances</b>				
Loan against Shares		173,318,561		201,519,213
<b>Total</b>		<u><b>264,128,591</b></u>		<u><b>223,839,886</b></u>



**SYSTEMATIX FINVEST PRIVATE LIMITED**

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	₹	₹
<b>5) TRADE PAYABLE</b>		
Total outstanding dues of Micro enterprise and Small enterprise		
Total outstanding dues of creditors other than Micro enterprise and small enterprise		
Goods		
Services	194,276	186,380
<b>Total</b>	<b>194,276</b>	<b>186,380</b>
 <b>The disclosure requirements, as required under Micro, Small and Medium Enterprises development Act, 2006 is as follows:</b>		
Principal amount due as on March 31	-	-
Interest due and unpaid on the above as on March 31	-	-
Interest paid	-	-
Interest due and payable	-	-
Interest accrued and remaining unpaid as on March 31	-	-
Amount of further interest remaining due and payable in the succeeding years	-	-
 <b>6) OTHER CURRENT LIABILITIES</b>		
Liability for Employees	159,893	205,148
Others-Statutory Dues Payable	379,402	910,155
<b>Total</b>	<b>539,295</b>	<b>1,115,303</b>
 <b>7) SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	1,264,981	1,089,053
Provision on Standard Assets	842,663	385,011
<b>Total</b>	<b>2,107,644</b>	<b>1,474,064</b>



**SYSTEMATIX FINVEST PRIVATE LIMITED**

**8) TANGIBLE ASSETS**

₹

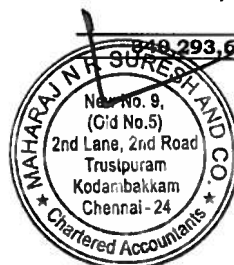
S No	Particulars	Gross Block			Depreciation			Net Block			
		As at 01.04.2016	Additions	Deductions	As At 31.03.2017	As at 01.04.2016	For the Year	Withdrawn	As At 31.03.2017	As At 31.03.2016	
1	Telephone	18850	-	-	18850	10,282	4,575	-	14,857	3,993	8,568
	<b>TOTAL</b>	<b>18850</b>	<b>-</b>	<b>-</b>	<b>18850</b>	<b>10,282</b>	<b>4575</b>	<b>-</b>	<b>14857</b>	<b>3993</b>	<b>8568</b>
	<b>Previous Year</b>	<b>18850</b>	<b>-</b>	<b>-</b>	<b>18850</b>	<b>5706</b>	<b>4576</b>	<b>-</b>	<b>10282</b>	<b>8568</b>	<b>13144</b>



**SYSTEMATIX FINVEST PRIVATE LIMITED**

<b>Particulars</b>	<b>Year ended 31.03.2017 ₹</b>	<b>Year ended 31.03.2016 ₹</b>
<b>9) NON CURRENT INVESTMENTS:LONG TERM</b>		
<b>INVESTMENT IN DEBENTURE</b>		
Skittish Realtors Pvt Ltd	-	156,130,000
<b>Total</b>	<u>-</u>	<u>156,130,000</u>
Notes:	<b>Cost</b>	<b>Market Value</b>
Aggregate amount of:		
-Unquoted Investments	-	156,130,000
<b>10) DEFERRED TAX ASSET</b>		
Deferred Tax Asset on account of		
i) Depreciation	1,658	695
ii) Others	684,342	478,305
<b>Total</b>	<u>686,000</u>	<u>479,000</u>
<b>11) LONG TERM LOANS AND ADVANCES</b>		
Advance Tax (Net of Provision for Income Tax)	729,551	10,413,280
<b>Total</b>	<u>729,551</u>	<u>10,413,280</u>
<b>12) INVENTORIES</b>		
Nil Equity Shares of Rs 10/each in SPML Infra Ltd (Previous Year 76 741)	-	2,087,332
<b>Total</b>	<u>-</u>	<u>2,087,332</u>
<b>(For Method of Valuation refer Note 1 D)</b>		
<b>13) CASH AND CASH EQUIVALENT</b>		
Cash and Cash Equivalents		
Balances With Banks	45,952,265	19,792,953
Cash On Hand	405,361	275,481
<b>Total</b>	<u>46,357,626</u>	<u>20,068,434</u>
<b>14)SHORT TERM LOANS AND ADVANCES</b>		
<b>SECURED CONSIDERED GOOD STANDARD ASSETS</b>		
Loans (Refer Note:22 )	194,012,523	71,459,477
<b>UNSECURED CONSIDERED GOOD STANDARD ASSETS</b>		
Loans (Refer Note:22 )	143,052,604	82,545,000
Service Tax Entitlement	1,311,087	1,076,247
Advance Income Tax (Net of Provisions)	1,523,390	2,062,147
Prepaid Expenses	1,250	1,250
Due From Related Parties	-	65,879
Others *	392,802	29,580
<b>Total</b>	<u>348,293,656</u>	<u>157,239,580</u>

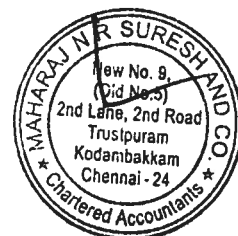
\* Includes due from Director Rs 3 42 600





**SYSTEMATIX FINVEST PRIVATE LIMITED**

<b>Particulars</b>	<b>Year Ended 31.03.2017</b>	<b>Year Ended 31.03.2016</b>
	₹	₹
<b>15) REVENUE FROM OPERATIONS</b>		
Interest from Financing Activities	66,886,907	71,592,414
Profit on Sale of Shares	3,380,991	2,243,772
<b>Total</b>	<b>70,267,898</b>	<b>73,836,186</b>
<b>16) OTHER INCOME</b>		
Interest Income	1,371,390	-
Provision no longer Required on Standard Assets	-	631,466
Misc Income	15,035	7,779
<b>Total</b>	<b>1,386,425</b>	<b>639,245</b>
<b>17) EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	11,531,681	13,686,388
Staff Welfare	195,870	85,253
<b>Total</b>	<b>11,727,551</b>	<b>13,771,641</b>
<b>18) FINANCE COST</b>		
Interest on Loans	53,582,775	51,884,221
<b>Total</b>	<b>53,582,775</b>	<b>51,884,221</b>
<b>19) OTHER EXPENSES</b>		
Rent	2,100,000	1,560,000
Rates & Taxes	7,759	5,960
<b>Repairs &amp; Maintenance</b>		
Others	216,207	61,792
Support Charges	-	2,200,000
Professional & Consultancy	454,500	1,067,086
Auditors Remuneration*	125,000	125,000
Provision on Standard Assets	457,652	-
Other Expenses	768,519	672,821
<b>Total</b>	<b>4,129,637</b>	<b>5,692,659</b>
<b>*Additional Information</b>		
i) Statutory Audit	100,000	100,000
ii) Tax Audit	25,000	25,000
<b>Total</b>	<b>125,000</b>	<b>125,000</b>



## 20. Nature of Business

The Company is Non-banking Financial Company registered with the Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934 and Primarily engaged in Lending and Related Activities. The Company Received the Certificate of Registration from the RBI on 31st May 2001 enabling the Company to carry on business as a Non-Banking Financial Company.

In Accordance with the Provisions of Section 45-IC of the RBI ACT, 1934, the Company has created Reserve Fund & during the year, the Company has transferred an amount of Rs 2.60 Lakhs to Reserve Fund, it being 20% of the Profit after Tax.

21. A massive fire broke out in the Registered office of the Company at J K Somani Building 2<sup>nd</sup> Floor British Hotel Lane Fort Mumbai-400001 on 30/11/2016 at 21.30 hours in which the fixed assets including IT Systems, books of account maintained in the IT systems, bills, Vouchers, Statutory records like Service Tax returns, e-TDS returns, RBI returns, correspondence with RBI and clients got destroyed. However, the books of accounts have been recovered from the mirror server maintained as a part of disaster recovery system(DRS); copies of bank statements have been obtained. Soft copies of the various statutory returns such as Service Tax returns, e-TDS returns, RBI returns and returns to RBI have been downloaded from the respective websites Confirmations of balances were sent to all clients subsequently. Thus the accounts have been complied for the period upto 30/11/2016 and were subject to audit

22. Secured Loan is secured by Securities received from borrowers who have been granted loan against shares by the Company and held in Demat account in the name of the Company and Pledged in favour of Respective lenders.

23. Confirmation of balances for Loans and Advances and Trade Payable not been obtained therefore the balances under the head Loans and Advances, Sundry Creditors are shown as per books and are subject to reconciliation and Adjustments if any.

## 24. Related Party Transactions:

### I) Names of Transacting Related Parties

#### A) Holding Company:

- Systematix Corporate Services Limited

#### B) Presumption of Significance Influence:

##### Companies

- Systematix Shares & Stocks (I) Limited
- Systematix Capital Services Private Limited
- Systematix Fincorp India Limited
- Systematix Distributions Services Private Limited
- Systematix Commodities Services Private Limited
- Ceepeek Real Estate Pvt Limited



- Rangsharda Properties Private Limited
  - Shubham Mangalam Real Estate Pvt Limited
  - Snehvardhini Properties Pvt Limited
  - Tek Point Properties Private Limited
  - Funsign Real Estate Pvt Limited
  - Superstar Exports Private Limited.
  - Topcity Trading Company Private Limited
  - Riteplaza Trading Company Private Limited
  - Magicline Trading Company Private Limited
  - Goldflag Exports Private Limited
  - Goldlife Trading Company Private Limited
  - Thirdwave Mercantile Company Private Limited
  - Shiv Shakti Real Estate Pvt Limited
  - Nikunj Mercantile Private Limited
  - Systematix Assets Management Company Pvt Ltd
  - Wonderdream Realtors Private Limited
  - Systematix Ventures Pvt. Ltd (Formally Known as Sixth Sense Ventures Pvt Ltd)
  - Perspire Builders & Developers Private Limited
- Partnership Firms/LLP's**
- Sterling Dreamworks Partners LLP
  - Divisha Real Estate Advisors LLP
  - Divisha Realty LLP
  - Divisha Developers LLP
  - Divisha Lifestyle LLP

- C) **Key Managerial Personnel:**  
Mr. C. P. Khandelwal, Ms. Priyanka Khandelwal

**II) A description of the relationship between related parties:**  
Presumption of Significant Influence.

**III) Transaction detail**

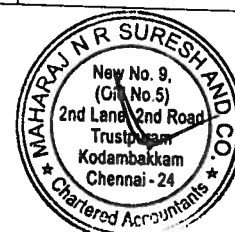
Name of the Related party	Description of Transaction and amount during the year		Amount outstanding
	Rs in lakhs		
Systematix Fincorp India Ltd.	Loan Availed	9669.86	
	Loan Repaid	9669.86	
	Loan Granted	3406.93	
	Loan Recovered	3406.93	
	Interest Paid	83.17	
	Interest Received	17.26	
Systematix Shares & Stocks (I) Ltd	D.P. Charges Paid	0.06	
	Sale of Shares	57.23	
Systematix Capital Services Private Limited	Loan Granted	731.70	
	Loan Repaid	731.70	
	Interest Charged	38.74	
Systematix Corporate Services Limited			Liability 187800 Equity Shares 100%

Superstar Exports Private Limited	Loan Granted	1215.51	
	Loan repaid	1215.51	
	Interest charged	134.44	
Systematix Commodities Service Private Limited	Loan Granted	67.00	
	Loan Repaid	67.00	
	Interest Charged	0.06	
Systematix Distributions Service Private Limited	Professional Charges	4.00	
Third Wave Mercantile Co Private Limited	Rent Paid	12.00	
Ms. Priyanka Khandelwal	Remuneration	6.60	
Mr. Rahul Khandelwal	Salary	6.00	
Shri. Shriram Khandelwal	Sitting fees	0.18	
Shri. Sanjay Khandelwal	Sitting fees	0.18	
Ms. Anju Khandelwal	Sitting fees	0.13	
Shri. Deepak Khandelwal	Sitting fees	0.05	

## 25. Employee Benefits

The Company has adopted AS 15-Employee Benefits during the year.

General description	Post employment Benefit Gratuity		
	31.03.2017	31.03.2016	31.03.2015
<b>i) Changes in the Present Value Of the Obligation (PVO)-</b> Reconciliation of Opening and Closing Balances:			
PVO as at the beginning of the Period	17 78 942	13 48 649	10 21 640
Interest Cost	1 42 315	1 03 042	93 991
Current Service Cost	3 54 676	6 79 813	2 58 724
Past service Cost-(non Vested benefits)	0	0	0
Past service Cost (Vested benefits)	0	0	0
Benefits paid	0	(55 206)	0
Actuarial Loss/(gain) on obligation	(2 83 926)	(2 97 356)	(25 706)
PVO as at the end of the period	19 92 007	17 78 942	13 48 649
<b>ii) Changes in Fair Value of Plan Assets</b>			
Fair Value of Plan Assets at the beginning of the Period	6 89 889	6 88 857	2 78 401
Adjustment to Opening Fair value of Plan Assets	0	0	(89631)
Expected Return on Plan Assets	60 400	57 900	36 400
Contributions	0	0	4 54 732
Benefit Paid	0	(55 206)	0
Actuarial gain/(loss) on plan assets	(23 263)	(1 662)	8 955
Fair Value of Plan Assets at the end of the period	7 27 026	6 89 889	6 88 857



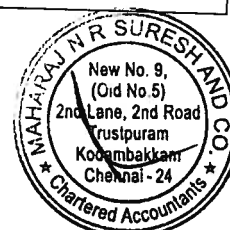
<b>iii) Amount recognized in the Balance Sheet and Related Analysis:</b>			
Present value of obligation	19 92 007	17 78 942	13 48 649
Fair value of Plan assets	7 27 026	6 89 889	6 88 857
Difference Liability Recognized in the Balance Sheet	(12 64 981)	10 89 053	(6 59 792)
<b>iv) Expenses Recognized in the Profit &amp; Loss account:</b>			
Current service Cost	35 46 76	6 79 813	2 58 724
Interest Cost	14 23 15	1 03 042	93 991
Expected Return on Plan Assets	(60 400)	(57 900)	(36 400)
Net actuarial (gain)/Loss recognized In the year	(2 60 663)	(2 95 694)	(34 661)
Past service cost (Vested benefits) Expenses/(Gain) recognized in the statement of Profit and Loss	1 75 928	4 29 261	0 281654
<b>(v) Principal Actuarial Assumption (Expressed as weighted averages)</b>			
Discount Rate	6.84%	8.00%	7.80%
Salary Escalation Rate	10.00%	15.00%	15%
Attrition Rate	Age < 45:	Age < 45:	Age < 45:
	5%	5%	5%
	Age > 45:	Age > 45:	Age > 45:
	2%	2%	2%
Expected rate of return on plan assets	8.15%	8.75%	8.75%

**26. Basic & Diluted Earnings per share:**

Particulars	2016-17	2015-16
Net Profit/(Loss) attributable to equity share holders	12 90 459	21 53 619
Weighted Average of Equity shares	1 87 820	1 87 820
Basic Earnings Per Share	6.87	11.47
Weighted Number of equity shares outstanding for Diluted EPS	1 87 820	1 87 820
Diluted Earnings Per share	6.87	11.47

**27. The Details of Specified bank notes (SBN) and other currency notes held and transacted during the period from 08.11.2016 to 30.12.2016 are provided in the table below:**


	SBNs #	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	219500	2236	221736
(+) Permitted receipts	-	650000	650000
(-) Permitted payments	-	331843	331843
(-) Amount deposited in Banks	219500	-	219500
Closing cash in hand as on 30.12.2016	-	320393	320393



28. Figures for the previous year have been re-grouped wherever necessary, to conform to Current year classification.

Vide our report of date attached

For Maharaj N R Suresh and Co  
FRN NO: 001931S  
Chartered Accountants

  
K V Srinivasan  
Partner  
M.NO:204368

Place: Mumbai  
Date: 26.05.2017



For & on behalf of the Board of Directors

  
C. P. Khandelwal  
Director

  
Priyanka Khandelwal  
Director

27/05/17

**SYSTEMATIX FINVEST PRIVATE LIMITED**

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

Particulars	31.03.2017	31.03.2016
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and extra ordinary items	1,963,459	3,122,619
Adjustments for : -		
1 Depreciation	4,575	4,576
2 Income Tax Paid	-	-
3 Provision for Standard Assets	457,652	(631,466)
<b>Operating profit before working capital changes</b>	<b>2,425,686</b>	<b>2,495,729</b>
Adjustments for : -		
1 Trade and other Receivables	(171,283,014)	251,332,662
2 Non Current Liabilities	-	-
3 Trade Payable & Other Current Liabilities	(1,272,185)	17,670
<b>Cash Generated from operation</b>	<b>(170,129,513)</b>	<b>253,846,061</b>
Interest Paid	-	-
<b>Cash Flow Before extraordinary items</b>	<b>(170,129,513)</b>	<b>253,846,061</b>
Extraordinary items	-	-
<b>Net Cash from/ (Used ) in operating activities</b>	<b>(170,129,513)</b>	<b>253,846,061</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Investments/Debentures	156,130,000	(156,130,000)
<b>Net Cash from/ (Used ) in investing activities</b>	<b>156,130,000</b>	<b>(156,130,000)</b>
<b>C CASH FLOW FROM FINANCIANG ACTIVITIES</b>		
1 Proceeds from Long and Short Term Borrowings	40,288,705	(78,199,680)
2 Proceeds from Issue of Share Capital	-	-
<b>Net Cash from financiing activities</b>	<b>40,288,705</b>	<b>(78,199,680)</b>
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>26,289,192</b>	<b>19,516,381</b>
Cash and Cash equivalents as (Opening Balance)	20,068,434	552,053
Cash and Cash equivalents as (Closing Balance)	46,357,626	20,068,434


Vide our Report of even date  
For Maharaj N R Suresh and Co  
FRN NO:001931S  
Chartered Accountants

K V Srinivasan  
Partner  
M.No:204368

Place:Mumbai  
Date: 26-05-2017



For and on behalf of the Board of Directors

  
C.P. Khandelwal  
Director

  
Priyanka Khandelwal  
Director

*K V Srinivasan*

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

(As required in terms of Paragraph 9BB of

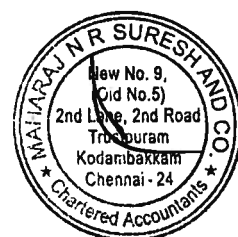
Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007

		(Rs. in Lacs)	
Particulars			
<b>Liabilities side :</b>			
(1)	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>	Amount out- Standing	Amount overdue
	(a) Debentures: Secured	Nil	Nil
	: Unsecured	Nil	Nil
	(Other than falling within the Meaning of public deposits*)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans (Motor Car Loan)	Nil	Nil
	(d) Inter-corporate loans and borrowing	908.10	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits*	Nil	Nil
	(g) Other Loans	Nil	Nil
	I. Working Capital Loan From Banks	Nil	Nil
	II. Unsecured Loan	1733.19	Nil
	* Please see Note 1 below		
(2)	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits	Nil	Nil
	* Please see Note 1 below		
<b>Assets side :</b>		<b>Amount outstanding Rs. Lacs</b>	
(3)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
	(a) Secured		1940.12
	(b) Unsecured		1430.53
			3370.65
(4)	<b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		Nil
	(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 EL/HP activities		
	(a) Loans where assets have been repossessed		Nil





(b) Loans other than (a) above		Nil		
(5)	<b>Break-up of Investments :</b>			
	<b>Current Investments :</b>			
	1. <b>Quoted :</b>			
	(i) Shares : (a) Equity			Nil
	(b) Preference			
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			Nil
	(iv) Government Securities			
	(v) Others (please specify)			
	2. <b>Unquoted :</b>			
	(i) Shares : (a) Equity			
	(b) Preference			Nil
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
(v) Others (Please specify)				
<b>Long Term investments :</b>				
1. <b>Quoted :</b>				
(i) Share : (a) Equity			-----	
(b) Preference			-----	
(ii) Debentures and Bonds			-----	
(iii) Units of mutual funds			-----	
(iv) Government Securities			-----	
(v) Others (Please specify)			-----	
2. <b>Unquoted :</b>				
(i) Shares : (a) Equity			-----	
(b) Preference			-----	
(ii) Debentures and Bonds			-----	
(iii) Units of mutual funds			-----	
(iv) Government Securities			-----	
(v) Others – Venture Fund			-----	
(6)	<b>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:</b>			
	Please see Note 2 below			
	Category	Amount net of provisions (Rs. Lacs)		
		Secured	Unsecured	Total
	1. Related Parties **	Nil	Nil	Nil
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil		
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	1940.12	1430.53	3370.65
	Total	1940.12	1430.53	3370.65



(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			
Rs.Lacs			
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **	Nil	Nil
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	Nil	Nil
	Total	Nil	Nil

\*\* As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information

			Rs. Lacs
Particulars			Amount
	(i)	Gross Non-Performing Assets	
		(a) Related parties	Nil
		(b) Other than related parties	
	(ii)	Net Non-Performing Assets	
		(a) Related parties	Nil
		(b) Other than related parties	
	(iii)	Assets acquired in satisfaction of debt	Nil

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2007.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

