

AUDIT REPORT
&
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2017

WAY2WEALTH DISTRIBUTORS
PRIVATE LIMITED

Ground Floor, Frontline Grandeur,
No.14, Walton Road,
Bangalore – 560 001

SUNDARESHA & ASSOCIATES
Chartered Accountants,
Professional Court, I Floor,
27/7, 15th Cross,
3rd Block, Jayanagar,
BANGALORE – 560 011



INDEPENDENT AUDITOR'S REPORT

To The Members of
M/s.Way2Wealth Distributors Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Way2Wealth Distributors Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.





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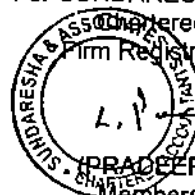
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 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.
 - 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".
 - 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
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. 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.24 to Ind AS financial statement.

For SUNDARESHA & ASSOCIATES,
Chartered Accountants
Firm Registration No.008012S



PRADDEPA CHANDRA C)
Membership No.216133
Partner

Place: Bangalore
Date : 8 May 2017



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Annexure A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind As financial statements for the year ended 31 March 2017, we report that:

- i. The Company does not hold any fixed assets. Thus, paragraph 3 (i) of the order is not applicable.
- ii. The Company is a service oriented company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted loans secured or unsecured to any party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act are not applicable to the company as company has not provided loan, security or guarantee for loan taken by others and has not made any non-current investment during the year.
- v. The Company has not accepted any deposits from the public.
- 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, income tax 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 employee's state insurance, service tax, sales tax, value added tax, duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax 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 provident fund, income tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. The company is regular in repayment of dues to financial institution. The company has not obtained any credit facility from bank or government. The Company has not issued any debenture during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3(ix) of the Order is not applicable.
- 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 not paid or provided any managerial remuneration. Thus, paragraph 3(xi) of the Order is not applicable.





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- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, 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:
- a) Provisions of sections 177 are not applicable for the company during the period under audit. Related party transactions are in compliance with the provisions of section 188 of the Act.
- b) Details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards in the financial statements.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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 any non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Bangalore
Date : 8 May 2017

For SUNDARESHA & ASSOCIATES,
Chartered Accountants
Firm Registration No.008012S



PRABHEEPA CHANDRA C)
Membership No. 216133
Partner



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Annexure B to the Independent 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 Way2Wealth Distributors Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS 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 Ind As 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.





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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 authorisations 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

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, based on the test checks conducted by us, the Company has, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie 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.

Place: Bangalore
Date: 8 May 2017

For SUNDARESHA & ASSOCIATES,
Chartered Accountants
Firm Registration No.008012S

DEEPA CHANDRA C)
Membership No. 216133
Partner

WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

CIN : U70101KA2001PTC029910

Ground Floor, Frontline Grandeur, No.14, Walton Road, Bangalore -560 001

Balance sheet as at 31st March 2017

	Note	Amount in Rs Thousands		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Defered Tax assets (net)	4	1,037	40	-
Total non-current assets		1,037	40	-
Current assets				
Financial assets				
- Investments	5	7,118	3,755	-
- Cash and cash equivalents	6	813	366	238
- Other current financial assets	7	30,453	26,719	-
Current Tax Assets (Net)	8	2,356	1,087	1,356
Other current assets	9	271	196	206
Total current assets		41,011	32,123	1,800
Total assets		42,048	32,163	1,800
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	2,500	2,500	2,500
Other equity	11	(2,319)	(14)	(1,422)
Total equity		181	2,486	1,078
Non-current liabilities				
Provisions	12	222	134	-
Total non-current liabilities		222	134	-
Current liabilities				
Financial liabilities				
- Borrowings	13	17,944	20,464	566
- Other financial liabilities	14	7,840	6,818	156
Other current liabilities	15	15,851	2,253	-
Provisions	16	10	8	-
Total current liabilities		41,645	29,543	722
Total equity and liabilities		42,048	32,163	1,800

Significant accounting policies & other notes 1 to 36

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For SHINDARESHA & ASSOCIATES

Chartered Accountants

Firm Registration No.008012S



PRAVEENA CHANDRA C

Partner

Membership No.216133

Place: Bangalore

Date: 8 May 2017

for and on behalf of the Board of Directors of
WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

MANJUNATHA K M

Managing Director

DIN: 05211379

Place: Bangalore

Date: 8 May 2017

ANIL KUMAR K G

Director

DIN : 03570341

WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Statement of profit and loss for the year ended 31 March 2017

Particulars	Note	Amount in Rs Thousands	
		For the year ended 31 March 2017	For the year ended 31 March 2016
Income			
Revenue from operations	17	89,872	42,669
Other income	18	38	12
Total income		<u>89,910</u>	<u>42,681</u>
Expenses			
STT, CTT and Stock exchanges Expenses	19	57,283	20,252
Employee benefits expense	20	28,927	18,608
Finance costs	21	1,762	473
Other expenses	22	5,218	1,611
Total expenses		<u>93,190</u>	<u>40,944</u>
Profit/(loss) before tax		<u>(3,280)</u>	<u>1,737</u>
Tax expense:			
- Current tax	23	-	270
- Deferred tax	23	(990)	(9)
Profit/(loss) for the year		<u>(2,290)</u>	<u>1,476</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(22)	(99)
		(22)	(99)
Income tax relating to items that will not be reclassified to profit or loss		(7)	(31)
Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the period		<u>(15)</u>	<u>(68)</u>
Total Comprehensive Income for the period		<u>(2,305)</u>	<u>1,408</u>
Earnings per equity share of Rs.10/- each	27		
- Basic		(9.16)	5.90
- Diluted		(9.16)	5.90
Significant accounting policies & other notes	1 to 36		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

For SUNDARESHA & ASSOCIATES

Chartered Accountants

Firm Registration No.008012S



PRADIP PA CHANDRA C

Partner

Membership No.216133

Place: Bangalore

Date: 8 May 2017

for and on behalf of the Board of Directors of
WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

MANJUNATHA K M

Managing Director

DIN: 05211379

Place: Bangalore

Date: 8 May 2017

ANIL KUMAR K G

Director

DIN : 03570341

WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Statement of cash flows for the year ended 31 March 2017

	<i>Amount in Rs Thousands</i>	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from operating activities		
Profit/(Loss) for the period	(3,280)	1,737
Adjustments:		
- Interest income	-	(11)
- Interest expense	1,742	473
	<u>(1,538)</u>	<u>2,199</u>
<i>Changes in</i>		
- Current and non-current assets	(7,174)	(30,463)
- Current and non-current liabilities	13,372	8,550
Cash generated from operations	4,660	(19,714)
Income taxes paid	(1,269)	(1)
Cash generated from / (used In) operations	<u>3,391</u>	<u>(19,715)</u>
Cash flows from investing activities		
Interest received	-	11
Net cash generated from/(used In) investing activities	<u>-</u>	<u>11</u>
Cash flows from financing activities		
Proceeds from/ (repayment of) long term and short term borrowings	(2,520)	19,898
Interest paid	(425)	(65)
Net cash used in financing activities	<u>(2,945)</u>	<u>19,833</u>
Increase in cash and cash equivalents	447	128
Cash and cash equivalents at the beginning of the year	366	238
Cash and cash equivalents at the end of the year	<u>813</u>	<u>366</u>
Components of cash and cash equivalents		
Balances with banks:		
- in current accounts	759	322
Cash on hand	54	44
Cash and cash equivalents at the end of the year	<u>813</u>	<u>366</u>

As per our report of even date attached

For SUNDARESHA & ASSOCIATES

Chartered Accountants

Firm Registration No.008012S



Pradeep A CHANDRA C

Partner

Membership No.216133

Place: Bangalore

Date: 8 May 2017

for and on behalf of the Board of Directors of
WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Manjunatha K M

MANJUNATHA K M

Managing Director

DIN: 05211379

Anil Kumar K G

ANIL KUMAR K G

Director

DIN : 03570341

Place: Bangalore

Date: 8 May 2017

WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Statement of changes in equity for the year ended 31 March 2017

a Equity share capital

Particulars	Amount in Rs Thousands	
	As at 31 March 2017	As at 31 March 2016
<i>Equity shares of Re 10 each issued, subscribed and fully paid up</i>		
Balance at the beginning of the reporting year	2,500	2,500
Changes during the year	-	-
Balance at the end of the reporting year	2,500	2,500

b Other Equity

For the year ended 31 March 2017

Particulars	Amount in Rs Thousands		
	Reserves and surplus	Other Comprehensive Income	Total other equity
	Retained Earnings	Remeasurements of defined benefit plan	
Balance as at 1 April 2016	54	(68)	(14)
Profit or (loss) during the year	(2,290)	-	(2,290)
Other Comprehensive Income	-	(15)	(15)
Balance as at 31 March 2017	(2,236)	(83)	(2,319)

For the year ended 31 March 2016:

Particulars	Amount in Rs Thousands		
	Reserves and surplus	Other Comprehensive Income	Total other equity
	Retained Earnings	Remeasurements of defined benefit plan	
Balance as at 1 April 2015	(1,422)	-	(1,422)
Profit or (loss) during the year	1,476	-	1,476
Other Comprehensive Income	-	(68)	(68)
Balance as at 31 March 2016	54	(68)	(14)

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

1 Company background

The entity is a limited liability company incorporated in India under the Companies Act, 1956 on 19th of December 2001. The registered office of the company is situated at Ground Floor, Frontline Grandeur No.14, Walton Road, Bangalore 560001. The company is into the business of financial sector, and carrying on security trading activity.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.01 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, read with section 133 of the Companies Act 2013, with effect from April 1, 2016.

The adoption was carried out in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards. Previous period comparatives in the financial statements have been restated to Ind AS, in accordance with Ind AS 101. The Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the total comprehensive income for the year ended March 31, 2016.

2.02 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

Accounting policies have been consistently applied except where the change is required by an Ind AS or change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or condition on the entity's financial position, financial performance or cash flow.

2.03 Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

2.04 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2017

2.05 Property, plant and equipment and Intangible assets

a) Property, plant and equipment:

Under the Previous GAAP, property, plant and equipment were carried in the balance sheet at their carrying value being the cost of acquisition or construction less accumulated depreciation.

The cost of property, plant and equipment includes freight, duties, taxes and other incidental expenses relating to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

The cost of property, plant and equipment not ready for their intended use, are disclosed as capital work in progress. Advance paid towards the acquisition of fixed assets outstanding at each balance sheet are shown under capital advances.

Depreciation methods, estimated useful lives and residual value

In respect of fixed assets acquired on or after 01.04.2014 (effective date of Schedule II of Companies Act, 2013), depreciation is charged on a straight line method so as to write off the depreciable amount of the assets over the useful life as mentioned in Schedule II of the Companies Act, 2013. In respect of assets acquired prior to 01.04.2014, the carrying amount as on 01.04.2014 is depreciated over the remaining useful life. In respect of assets where the remaining useful life of an asset is nil as on 01.04.2014, the same (after retaining the residual value) is recognised in the opening balance of retained earnings. Depreciation for assets purchased / sold during the year is proportionately charged. Leasehold improvements are depreciated over initial lease period.

b) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation methods and estimated useful lives

Intangible assets with finite lives are amortised over the useful economic life on a straight- line basis, commencing from the date is available to the Company for its use and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

2.06 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset or a group of assets comprising a cash-generating unit may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

2.07 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment net of taxes or duties collected on behalf of the government. The specific recognition criteria described below must also be met before revenue is recognised.

Trading income is recognised when a legally binding contract is executed.

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.



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2.08 Leases

As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.09 Investments and other financial assets

a) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

b) Initial recognition and measurement

The company recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Trade receivables are measured at their transaction price, if the trade receivables do not contain a significant financing component in accordance with Ind AS 115. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Regular way purchase and sale of financial assets are accounted for at trade date.

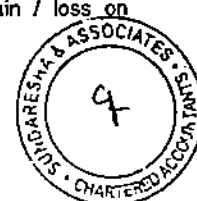
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

c) Subsequent measurement

Financial assets carried at amortised cost

A financial assets is measured at amortised cost if it is held within a business model whose objective is to hold asset in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is accounted in profit or loss using the effective interest rate method. Impairment losses, forex gain / loss and gain / loss on derecognition of financial asset in this category is recognised in profit or loss.

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Notes to the financial statements for the year ended 31 March 2017

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI, if it is held withing a business model whose objective is achieved by both from collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Further equity instruments where the company has made an irrevocable election based on its business model, to classify as instruments measured at FVTOCI, are measured subsequently at fair value through other comprehensive income.

Debt instruments - Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments - Movements in the carrying amount are taken to OCI and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividend from such investments are recognised in profit or loss.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All gains and losses are recognised in profit or loss.

d) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach specified by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

e) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's separate balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

2.10 Financial liabilities

a) Initial recognition and measurement

The company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in profit or loss.



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Amortised cost

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee or the amount paid to the guarantor for assuming the obligations.

Where guarantees in relation to loans to credit facilities of subsidiaries are provided for no compensation the fair values are accounted for as contributions and recognised as part of the cost of investment. Similarly guarantee obtained from holding company for no compensation the fair values are accounted for as capital contribution.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.11 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

2.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.15 Employee benefits

a) Short-term benefit plans

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Defined contribution plan

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions, if any, are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

c) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.



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Notes to the financial statements for the year ended 31 March 2017

d) Other long-term benefit plans

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related services. The present value of compensated absences obligation is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, as at year end. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

2.16 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.17 Income Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

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Notes to the financial statements for the year ended 31 March 2017

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

2.18 Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

2.19 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

2.21 Earnings per share

The basic earnings / (loss) per share is computed by dividing the net profit / (loss) attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.22 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company performance and allocates resources based on an analysis of various performance indicators by segments, if any.

2.23 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind ASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. However there are no significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements of the company.

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

4 Deferred tax assets (net)

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax asset on			
Employee benefit expenses :			
- Gratuity	70	41	-
- Compensated absences	2	3	-
Net unrealised loss on open future positions	52	-	-
Unused tax losses	1,284	-	-
Deferred tax liability on			
Net gain on fair valuation of equity or debt instruments	(414)	(63)	-
Net unrealised gain on open future positions	-	(5)	-
Minimum Alternate Tax credit entitlement	43	64	-
	1,037	40	-

5 Current investments

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(i) Equity investments (fully paid-up) (for details refer note no.31(a))	7,118	3,755	-
	7,118	3,755	-
Aggregate amount of quoted investments and market value thereof	7,118	3,755	-
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in value of financial instruments	-	-	-

6 Cash and cash equivalents

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
- in current accounts	759	322	180
Cash on hand	54	44	58
	813	366	238

7 Other current financial assets

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with stock brokers	30,453	26,719	-
	30,453	26,719	-

8 Current Tax Assets (Net)

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current tax asset (net of provision for tax)	2,356	1,087	1,356
	2,356	1,087	1,356

9 Other current assets

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Prepayments	61	-	-
Balance with government authorities	181	181	181
Other Receivable	29	15	25
	271	196	206



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

10 Equity Share capital

Amount in Rs Thousands
(except share data)

(a) Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Authorised			
250,000 (31st March 2016 & 1st April 2015 : 250,000) equity shares of Rs.10 each	2,500	2,500	2,500
	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Issued, subscribed and fully paid up			
250,000 (31st March 2016 & 1st April 2015 : 250,000) equity shares of Rs.10 each	2,500	2,500	2,500
	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
Number of shares at the beginning of the year	2,50,000	2,500	2,50,000	2,500
Number of shares outstanding at the end of the year	2,50,000	2,500	2,50,000	2,500

(c) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. However, interim dividend can be declared by the Board of Directors subject to the provisions of the Companies Act 2013, relevant rules and regulations thereunder. In the event of liquidation of the company, the equity share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(d) Particulars of each class of shares held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Way2Wealth Securities Private Limited (Holding Company) (including the shares held by nominee shareholders)	2,49,998	2,49,998	2,49,998

(e) Equity shareholders holding more than 5% of equity shares held at the beginning and at the end of the year is as given below:-

Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	% of holding	No of shares	% of holding	No of shares	% of holding	No of shares
Way2Wealth Securities Pvt Ltd (Holding Company)	100.00%	2,49,998	100.00%	2,49,998	100.00%	2,49,998

(f) The company has not reserved any shares for issue under options and contracts or commitment for the sale of shares or disinvestments. The company has not issued any securities convertible into equity shares.

(g) The company has not allotted any shares for consideration other than cash and company has neither allotted fully paid shares by way of bonus shares nor has bought back shares during the period of five years immediately preceding the balance sheet date.

11 Other equity

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
a) Retained earnings	(2,236)	54	(1,422)
b) Remeasurements of defined benefit plan	(83)	(68)	-
	<u>(2,319)</u>	<u>(14)</u>	<u>(1,422)</u>

For details of movement during the year refer Statement of Changes in Equity

Nature and purpose of other reserves:

Retained Earnings:

Retained Earnings comprise of the company's accumulated undistributed earnings.

Remeasurements of defined benefit plan

Remeasurements of defined benefit plan liability/asset comprises actuarial gains or losses and returns on plan asset, if any, excluding interest income.

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

12 Non-current provisions

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
- Gratuity	216	128	-
- Compensated absence	6	6	-
(For details refer note no: 32)			
	222	134	-

13 Current borrowings

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<i>Unsecured:</i>			
Loan repayable on demand			
- from Related parties			
- Way2Wealth Securities Private Limited	17,646	7,649	566
- Way2Wealth Capital Pvt Ltd	298	12,815	-
	17,944	20,464	566

Loan from related parties is payable on demand.
Rate of interest varies from 12.5% to 18% (PY : 12.5% to 18%)

14 Other current financial liabilities

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Accrued compensation to employees	5,909	6,005	-
Interest accrued	1,742	425	17
Accrued expenses	189	388	139
	7,840	6,818	156

15 Other current liabilities

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Statutory dues	2,860	144	-
Other payable	12,991	2,109	-
	15,851	2,253	-

16 Current provisions

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
- Gratuity	9	6	-
- Compensated absence	1	2	-
(For details refer note no: 32)			
	10	8	-



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

17 Revenue from operations

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Other operating revenue		
Trading income - securities	89,872	42,669
	89,872	42,669

18 Other income

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest income	-	11
Dividend income	37	1
Excess provision written Back	1	-
	38	12

19 STT, CTT and Stock exchanges Expenses

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Securities and Commodities Transaction Tax	37,877	14,424
Exchange charges	13,411	4,583
Bandwidth Charges	5,695	1,145
Brokerage & Other Charges	300	100
	57,283	20,252

20 Employee benefits expense

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Salaries and wages	28,457	18,521
Contribution to provident and other funds	378	43
Gratuity	69	34
Compensated absence	-	8
Staff welfare expenses	23	2
	28,927	18,608

21 Finance costs

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest expense		
- loans from related party	1,742	473
- Others	20	-
	1,762	473

22 Other expenses

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Legal, professional and consultancy	4,577	1,251
Rates and taxes	11	7
Auditor's remuneration	213	35
Travelling and conveyance	333	315
Repairs and maintenance		
- others	7	-
Insurance	39	-
Miscellaneous expenses	38	3
	5,218	1,611

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

23 Income tax

(a) Major components of income tax expense for the years ended 31 March 2017 and 31 March 2016:

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Current Income tax:		
Current income tax charge	-	270
Adjustments in respect of current income tax of previous year	-	-
	-	270
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,010)	54
Increase/ reduction of tax rate	-	-
Minimum Alternative tax credit entitlement	-	(63)
Minimum Alternative tax credit entitlement of previous years	20	-
	(990)	(9)
Income tax expense reported in the statement of profit or loss	(990)	261

(b) Deferred tax related to items recognised in OCI during in the year:

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Remeasurements of defined benefit plan actuarial gains/ (losses)	(7)	(31)
Income tax charged to OCI	(7)	(31)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	Amount in Rs Thousands	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Profit/ (loss) before tax from continuing operations	(3,280)	1,736
Indian tax rate	30.90%	30.90%
Tax at the Indian tax rate	(1,013)	536
Effect of:		
Non-deductible expenses for tax purposes:		
- Other non-deductible items	14	-
Adjustments in respect of MAT credit of previous years	20	-
Tax exempt income	(11)	-
Utilisation of previously unrecognised tax losses	-	(272)
Others	-	(3)
Income tax expense	(990)	261

(d) Amounts of current and deferred tax directly recognised in equity is Rs.Nil (PY: Rs.Nil)

(e) Uncertain tax position

There are no uncertain tax positions during the year.



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2017

24 Contingent liabilities, commitments and contingent assets

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Contingent liabilities:			
Claims against the company not acknowledged as debt	-	-	-
Guarantees excluding financial guarantees	-	-	-
Other money for which the company is contingently liable	-	-	-
Commitments:			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-	-

25 Auditor's remuneration

Particulars	Amount in Rs Thousands	
	Year Ending 31 March 2017	Year Ending 31 March 2016
As auditor		
- for statutory audit	75	25
- for taxation matters	129	5
Reimbursement of expenses (Including Service tax)	9	5
Total	213	35

26 Disclosure On Specified Bank Notes (SBNs)

The details of Specified Bank Notes (SBNs) and other denomination notes held and transacted, by the company, during the period 8th November, 2016 to 30th December, 2016 is as follows, in terms of MCA notification

Particulars	Amount in Rs Thousands		
	SBNs*	Other denomination notes	Total
Closing cash in hand on 8th November, 2016	-	44	44
(+) Permitted receipts	-	10	10
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand on 30th December, 2016	-	54	54

* For the above purpose, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016."

27 Earnings per share (EPS)

(I) Reconciliation of earnings used in calculating earnings per share:

Particulars	Amount in Rs Thousands (except share data)	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Profit/ (loss) after taxation as per statement of profit and loss	(2,290)	1,476
Less: Effect of dilutive potential ordinary shares	-	-
Net profit/ (loss) for diluted earnings per share	(2,290)	1,476

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2017

(ii) Reconciliation of basic and diluted shares used in computing earnings per share –

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Number of equity shares at the beginning of the year	2,50,000	2,50,000
Add : Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculation of basic earnings per share	2,50,000	2,50,000

(iii) Earnings per share:

- Basic (Rs.)	(9.16)	5.90
- Diluted (Rs.)	(9.16)	5.90

28 Segment Information

The company is operating in financial service sector in India. Thus, there are no reportable segments as defined in Ind AS 108 "Operating Segments". The company earns its entire "revenue from external customers" in India, being company's country of domicile. All non-current assets other than financial instruments and deferred tax assets, are located in India. There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company's revenues.

29 Dues to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises, based on information received and available with the Company.

30 Confirmation of receivables and payable balances have not been received by the Company, hence, reliance is placed on the balances as per books. In the opinion of the Management, the amounts are realisable/ payable in the ordinary course of business at least equal to book values.



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2017

31 Related party transactions

A. Enterprises where control exists

Ultimate Holding Company

M/s.Coffeeday Enterprises Limited (previously known as Coffeeday Resorts Private Limited)

Intermediate Holding Company

M/s.Tanglin Developments Limited

Holding Company

M/s Way2Wealth Securities Private Limited

B. Key management personnel and their relatives

Manjunatha K M

Sandhya (Upto 20 March 2017)

Anil Kumar K G (w.e.f 08 August 2016)

Swapna Namdeo Satam (w.e.f 20 March 2017)

C. Other related parties

M/s Way2Wealth Brokers Private Limited

M/s Way2Wealth Capital Private Limited

D. The following is a summary of related party transactions.

Particulars	Amount in Rs Thousands	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Capital transactions		
<i>Loan received during the year</i>		
M/s Way2Wealth Securities Private Limited	51,647	23,020
M/s Way2Wealth Capital Private Limited	52,500	34,415
<i>Loan repaid during the year</i>		
M/s Way2Wealth Securities Private Limited	41,810	15,954
M/s Way2Wealth Capital Private Limited	65,227	21,600
Revenue transactions		
<i>Brokerage paid</i>		
M/s Way2Wealth Brokers Private Limited	300	100
<i>Bandwidth charges</i>		
M/s Way2Wealth Brokers Private Limited	5,000	1,145
<i>Interest expenses</i>		
M/s Way2Wealth Securities Private Limited	512	102
M/s Way2Wealth Capital Private Limited	1,231	371
<i>Reimbursement of Expenses Paid</i>		
M/s Way2Wealth Securities Private Limited	119	-

E. The following is a summary of balances receivable from and payable to related parties:

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with other related parties - (Receivable) / Payable:			
M/s.Way2Wealth Brokers Private Limited	(30,454)	(26,719)	-
M/s.Way2Wealth Capital Private Limited	1,529	13,149	-
M/s Way2Wealth Securities Private Limited	18,158	7,740	563

The amount includes transactions involved in the course of trading in shares and securities. Such transactions are being entered by respective brokers as an agent with Exchange and hence not disclosed as revenue transactions during the period. However, closing balance includes dues of trading activities.

32 Employee benefits

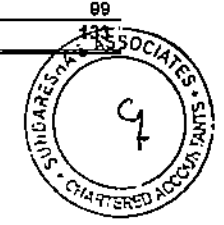
The following table sets out the details required under Ind AS 19 'Employee benefits'.

Reconciliation of the projected benefit obligations

Particulars	Amount in Rs Thousands			
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
	Compensated absences		Gratuity	
Change in projected benefit obligation:				
Obligations at the beginning of the year	8	-	134	-
Obligation acquired on acquisition during the year	-	-	-	-
Included in profit and loss:				
- Service cost	3	4	59	34
- Interest cost	1	-	10	-
- Actuarial (gain) losses	(4)	5	-	-
Included in other comprehensive income:				
- Actuarial (gains)/ losses arising from changes in finan	-	-	18	-
- Actuarial (gains)/ losses arising from experience adju	-	-	4	99
Obligations at year end	8	9	225	

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2017

Financial liabilities:

Measured at amortised cost:

Current borrowings	17,944	*	20,464	*	566	*
Other current financial liabilities	7,840	*	6,818	*	156	*
Total	25,784		27,282		722	

* The management assessed that that the fair value of cash and cash equivalents, short term borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Statement of profit and loss disclosures

Particulars	Amount in Rs Thousands	
	Year ended 31.03.2017	Year ended 31.03.2016
Net gains/ (losses) on -		
- Financial assets measured at fair value through profit and loss	32,589	22,417
Interest revenue/ (expense) on -		
- Financial assets measured at amortised cost	-	11
- Financial liabilities measured at amortised cost	(1,742)	(473)
Dividend income on -		
- Financial assets measured at fair value through profit and loss	37	1

(b) Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the management has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table

Financial assets and liabilities measured at fair value - recurring As at 31 March 2017	Notes	Amount in Rs Thousands			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Fair value through profit and loss:					
Investment in equity instruments	5	7,118	-	-	7,118
Total Financial assets		7,118	-	-	7,118

Financial assets and liabilities measured at fair value - recurring As at 31 March 2016	Notes	Amount in Rs Thousands			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Fair value through profit and loss:					
Investment in equity instruments	5	3,754	-	-	3,754
Total Financial assets		3,754	-	-	3,754

Financial assets and liabilities measured at fair value - recurring As at 1 April 2015	Notes	Amount in Rs Thousands			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Fair value through profit and loss:					
Investment in equity instruments	5	-	-	-	-
Total Financial assets		-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

(c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

- The fair values of the FVTPL financial assets are derived from quoted market prices in active markets.
- During the year there is no change in the valuation technique used to determine the fair value of assets and liabilities.

(d) Valuation processes

The finance department of the company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The department reports directly to the group chief financial officer (CFO).

34 Financial Instruments - risk management

The company's activities expose it to market risk, liquidity risk and credit risk.

(a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The management, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

(b) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

The company's exposure to credit risk is only through the following financial assets -

1. Balance with share brokers - The amount kept with the securities brokers who are regulated by SEBI, is in the nature of margin required for the company's exposure in the securities market as on the reporting date. The same will be settled on the settlement date mandatorily by the securities' broker. Therefore, the credit risk involved is negligible due to the short term nature and regulated by SEBI.

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

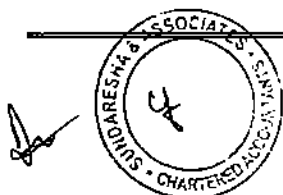
Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the company.

1) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments and exclude the impact of netting agreements.

Amount in Rs Thousands							
As at 31 March 2017	Carrying amount	Repayable on demand	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Loan from related parties	17,944	17,944	-	-	-	-	-
Other financial liabilities	7,841	-	7,841	-	-	-	-
	25,785	17,944	7,841	-	-	-	-

Amount in Rs Thousands							
As at 31 March 2016	Carrying amount	Repayable on demand	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Loan from related parties	20,464	20,464	-	-	-	-	-
Other financial liabilities	6,818	-	6,818	-	-	-	-
	27,282	20,464	6,818	-	-	-	-



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

As at 1 April 2015	Amount in Rs Thousands						
	Carrying amount	Repayable on demand	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Loan from related parties	566	566	-	-	-	-	-
Other financial liabilities	156	-	156	-	-	-	-
	722	566	156	-	-	-	-

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has exposure only to financial instruments at fixed interest rates. Hence, the company is not exposed to significant interest rate risk.

ii) Price risk

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss.

The majority of the company's equity investments are publicly traded.

Sensitivity analysis – Equity price risk

The table below summarises the impact of increase/decrease of the market price of the listed instruments on the company's equity and profit for the period. The analysis is based on the assumption that the market price had increased by 2% or decreased by 2%.

Particulars	Impact on profit or loss		Impact on other	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Market price increases by 2%	142	75	-	-
Market price decreases by 2%	(142)	(75)	-	-

35 Capital management

The Company's objective is to maintain an optimal capital structure so as to maximize shareholder value.

Particulars	Amount in Rs Thousands		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current borrowings	17,944	20,464	566
Debt	17,944	20,464	566
As percentage of total capital	99.01%	89.18%	34.43%
Equity	179	2,484	1,078
As percentage of total capital	0.99%	10.82%	65.57%
Total capital (debt and equity)	18,123	22,948	1,644

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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2017

36 First time adoption

The company has adopted the Indian Accounting Standards (Ind AS) during the year and accordingly these are the company's first financial statements prepared in accordance with Ind AS.

As per the Ind AS 101 First time adoption of Indian Accounting Standards, first time adopter shall prepare and present an opening Ind AS Balance Sheet at the date of transition to Ind ASs. This is the starting point for accounting in accordance with Ind AS. The date of transition for the company is 1 April 2015.

The accounting policies set out in Note No.2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of opening Ind AS balance sheet at 1 April 2015, the date of transition. In preparing its comparative financial statements including opening balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out below.

(a) Mandatory exceptions availed:

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the Previous GAAP:

i) Classification and measurement of financial assets

Ind AS 101 require an entity to classify and measure its financial asset into amortised cost, fair value through OCI or fair value through profit or loss based on the business model assessment or and Solely payment of principal and interest (SPPI) criterion based on facts and circumstances that exist at the date of transition.

ii) Estimates

Ind AS 101 prohibits the use of hindsight to correct estimates made under previous GAAP unless there is objective evidence of error. It only allows to adjust the estimates made under previous GAAP when the basis of calculation does not comply with Ind AS.

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.

(b) Reconciliation between previous GAAP and Ind AS:

i) Reconciliation of equity:

Particulars	Notes to first-time adoption	Amount in Rs Thousands	
		As at 31 March 2016	As at 1 April 2015
Total equity as per previous GAAP		2,334	1,078
<u>Adjustments:</u>			
Fair value adjustments on investments	i)	202	-
Unrealised gains on open position	ii)	17	-
Deferred tax	iii)	(67)	-
Total adjustments		152	-
Total equity as per Ind AS		2,486	1,078

ii) Reconciliation of total comprehensive income:

Particulars	Notes to first-time adoption	Amount in Rs Thousands	
		For the year ended 31 March 2016	
Profit after tax (PAT) as per previous GAAP			1,256
<u>Adjustments:</u>			
Fair value adjustments on investments at FVTPL	i)		202
Unrealised gains on open position	ii)		17
Deferred tax	iii)		(98)
Remeasurement of defined benefit plan classified to OCI	iv)		99
Total adjustments			220
Profit after tax as per Ind AS			1,476
<u>Other comprehensive income (OCI)</u>			
Remeasurement of defined benefit plan	iv)		(99)
Deferred tax	iii)		31
Total comprehensive Income			1,408



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WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2017

iii) **Adjustments to the statement of cash flows:**
There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

(c) Notes to first time adoption

i) Investments

Under the Previous GAAP, equity investments and mutual funds were classified as non current and current investments based on the intended holding period and realisability. Non current investments are carried at cost. Provision for diminution in value of non current investments is made in case the decline in the value is not temporary in nature. Current investments are stated at lower of cost or fair value. Under Ind AS investments are valued at fair value. The resulting fair value changes in Investments measured at fair value through other comprehensive income, have been recognised in FVTOCI - Investment reserve as at the transition date and subsequently in the other comprehensive income. The resulting fair value changes in investments measured at fair value through profit and loss (FVTPL), have been recognised in retained earnings as at the transition date and subsequently in the profit or loss.

ii) Derivatives

Under the Previous GAAP unrealised income on derivative instruments was not recognised in the profit or loss. Under Ind AS derivatives are measured at fair value and the fair value changes both profit or loss is recognised in profit or loss.


iii) Deferred tax

Under the Previous GAAP deferred tax asset in respect of carryforward of unused tax losses and unused tax credits was recognised on virtual certainty of recoverability of the same. Under Ind AS deferred tax asset in respect of carryforward of unused tax losses and unused tax credits is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Adoption of Ind AS has resulted in change in recognition and measurement of assets and liabilities, giving rise to origination or reversal of temporary differences, accordingly deferred tax is recognised in respect of those changes, wherever applicable. Certain items of income and expenses are reclassified from profit and loss to other comprehensive income, accordingly the related deferred tax expense / income has been reclassified from profit and loss to other comprehensive income.

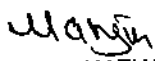
iv) Remeasurement of post-employment benefit expenses

Under Ind AS remeasurement i.e. actuarial gains and losses and the return on plan assets, if any, excluding amount included in the net interest expenses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP these remeasurements were forming part of profit or loss for the year.

As per our report of even date attached


S. SUNDARESHA & ASSOCIATES
Chartered Accountants
Firm Registration No. 008012S
L.P.
PRADYUMNA CHANDRA C
Partner
Membership No. 216133
Place: Bangalore
Date: 8 May 2017

for and on behalf of the Board of Directors of
WAY2WEALTH DISTRIBUTORS PRIVATE LIMITED


MANJUNATHA K M
Managing Director
DIN: 05211379

Place: Bangalore
Date: 8 May 2017


ANIL KUMAR K G
Director
DIN : 03570341