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MAHENDRA TIWARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS REPORT

To,
The Members of PRIMESEC INVESTMENTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PRIMESEC INVESTMENTS LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

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Chartered Accountants

considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. As referred in Note 22(a) the Company has written back a secured loan of Rs. 4,052.11 lacs as in the opinion of the management the same was no longer payable. Accordingly the profit for the year is higher, and the short term borrowing is lower, by the said amount.
2. As referred in Note 22(b) the Company has not provided for interest of Rs. 1357.25 Lacs on secured loan in respect of period up to March 31, 2016 as in the opinion of the management the same is under renegotiations with the lender. Had the Company made such provision in the earlier years, the reserves and surplus would have been lower by the said amount.
3. As referred in Note 23, the Company has written back certain unsecured loans and current liabilities of Rs. 620.57 lacs as in the opinion of the management the same was no longer payable. Accordingly the profit for the year is higher, and the short term borrowing and current liabilities are lower, by the said amount.

Qualified Opinion

In our opinion and to the best of our knowledge and according to the information and explanations given to us, *except for the effects of the matters described in point nos. 1 to 3 of the Basis for Qualified Opinion paragraph*, the said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter:

Our opinion is not modified in respect of the following:

1. The accompanying financial statements are prepared on going concern basis, notwithstanding the circumstances referred in Note 19 despite a negative networth has prepared its accounts on a going concern basis. The appropriateness of the said basis is inter alia dependent on the Company's ability to generate cash from revenue streams in the normal course of business. Based on the above, the Company has not considered making any adjustments in the carrying value of its assets and liabilities.
2. As referred to in Note 24 there is a diminution of Rs. 7.81 Lacs in value of non-current investments. The Company has not provided for such diminution on the basis that the same is temporary in nature.





Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - 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 made requisite disclosures in its financial statements as to holdings as well as dealings in "Specified Bank Notes" during the period 8th November, 2016 to 30th December, 2016 which is in accordance with the books of accounts maintained by the Company.

For MAHENDRA TIWARI & Co
Chartered Accountants
(Firm Registration No. 125844W)

[MAHENDRA TIWARI]
Partner

Membership No. 118416



Mumbai,
Date: 5th April, 2017



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Chartered Accountants

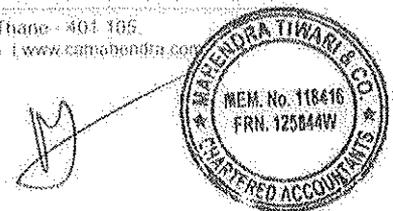
ANNEXURE A TO THE AUDITORS' REPORT

The annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017 we report that:

1. The Company does not have any fixed assets and therefore Clause 3(i) of the Order is not applicable to the Company.
2. The Company does not hold any inventories and therefore Clause 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and therefore Clause 3(iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loans and investments made.
5. The Company has not accepted any deposits within the meaning of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under and therefore Clause 3(v) of the Order is not applicable to the Company.
6. 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 and hence the provisions of clause 3(vi) of the Order is not applicable to the Company.
7. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including income tax, service tax and other statutory dues applicable to it. Further, according to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, income tax, service tax and other statutory dues with the appropriate authorities outstanding at the end of the year for a period of more than six months from the date they became payable.
8. Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of its loans and borrowings to any financial institution and banks. The Company does not have any loan or borrowing from Government or debenture holders.
9. The Company did not raise any amount by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly Clause 3(ix) of the Order is not applicable.

According to the information and explanations given to us, no material fraud by

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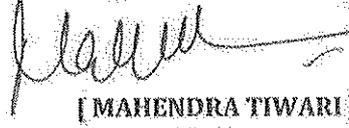
MAHENDRA TIWARI & CO.

MAHENDRA TIWARI & CO.
Chartered Accountants

10. the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid or provided for any managerial remuneration and therefore, Clause 3(xi) of the Order is not applicable.
12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company and therefore, Clause 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, Clause 3(xiv) of the Order is not applicable.
15. On the basis of our examination and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and therefore, Clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore Clause 3(xvi) of the Order is not applicable.

For MAHENDRA TIWARI & Co.
Chartered Accountants

(Firm Registration No. 125844W)



[MAHENDRA TIWARI]
Partner

Membership No. 118416



Mumbai,
Date: 5th April, 2017



MAHENDRA TIWARI & CO.

MAHENDRA TIWARI & CO.
CHARTERED ACCOUNTANTS

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of PRIMESEC INVESTMENTS LIMITED ("the Company") as of 31st March, 2017 in conjunction with our audit of the 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 Act.

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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

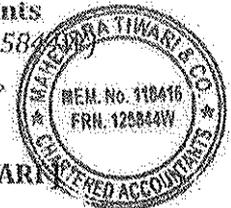
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria 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 ICAI.

For MAHENDRA TIWARI & Co
Chartered Accountants
(Firm Registration No. 125844W)



[MAHENDRA TIWARI & Co
Partner

Membership No. 118416



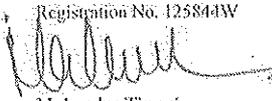
Mumbai,
Date: 5th April, 2017

PRIMESEC INVESTMENTS LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

| | Note No. | As at 31-Mar-17 (Rs. in lacs) | As at 31-Mar-16 (Rs. in lacs) |
|--------------------------------|----------|----------------------------------|----------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 163.60 | 163.60 |
| Reserves and Surplus | 2 | (5,246.62) | (7,403.72) |
| Non Current Liabilities | | | |
| Long Term Provisions | 3 | 508.36 | - |
| Current Liabilities | | | |
| Short-term Borrowings | 4 | 5,591.11 | 10,188.31 |
| Trade Payables | 5 | 0.67 | 1.58 |
| Other Current Liabilities | 6 | 62.50 | 455.18 |
| Total | | 1,079.62 | 3,404.95 |
| ASSETS | | | |
| Non-current Assets | | | |
| Non-current Investments | 7 | 171.24 | 892.65 |
| Long-term loans and advances | 8 | - | 5.23 |
| Current Assets | | | |
| Trade Receivables | 9 | 400.10 | - |
| Cash and Bank Balances | 10 | 274.93 | 3.79 |
| Short-term loans and advances | 10 | 100.49 | 1,220.04 |
| Other Current Assets | 11 | 132.86 | 1,282.24 |
| Total | | 1,079.62 | 3,404.95 |
| Notes on Accounts | To 30 | | |

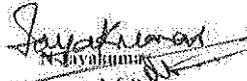
As per our Report attached
For and on behalf of
MAHENDRA TIWARI & CO.
Chartered Accountants
Registration No. 125844W

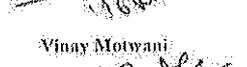

Mahendra Tiwari
Partner
Membership No. 118416



Mumbai, Dated: April 05, 2017

For and on behalf of the Board


Jayashankar
Director


Vinay Motwani
Director


Ajay Shub
Director

Mumbai, Dated: April 05, 2017

PRIMESEC INVESTMENTS LIMITED

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

| | Note No. | Year ended 31-Mar-17 (Rs. in lacs) | Year ended 31-Mar-16 (Rs. in lacs) |
|--|----------|---------------------------------------|---------------------------------------|
| I REVENUE FROM OPERATIONS | 12 | 1,232.50 | - |
| II OTHER INCOME | 13 | 29.17 | 249.69 |
| III TOTAL REVENUE (I+II) | | 1,261.67 | 249.69 |
| IV EXPENSES | | | |
| Employee Benefit Expenses | 14 | 28.16 | * |
| Finance Costs | 15 | - | 0.01 |
| Other Expenses | 16 | 13.63 | 270.14 |
| TOTAL EXPENSES | | 41.79 | 270.14 |
| V PROFIT / (LOSS) BEFORE TAX (III - IV) | | 1,219.88 | (20.45) |
| VI EXTRAORDINARY ITEMS | 17 | 1,523.22 | - |
| VII PROFIT / (LOSS) BEFORE TAX (V - VI) | | 2,743.10 | (20.45) |
| VI Tax Expense | | | |
| - Current Tax | | 586.00 | * |
| - Deferred Tax | | - | * |
| VII PROFIT / (LOSS) FOR THE PERIOD (V - VI) | | 2,157.10 | (20.45) |
| Earning per Equity Share (Face Value per Share Rs. 10/-) | | | |
| - Basic | | 131.85 | (1.25) |
| - Diluted | | 131.85 | (1.25) |
| Notes on Accounts | 1 to 30 | | |

As per our Report attached
For and on behalf of
MAHENDRA TIWARI & CO
Chartered Accountants
Registration No. 125844W

Mahendra Tiwari
Mahendra Tiwari
Partner
Membership No. 118416



Mumbai, Dated: April 05, 2017

For and on behalf of the Board

N. Jayakumar
N. Jayakumar

Director

Vinay Motwani
Vinay Motwani

Director

Ajay Shah
Ajay Shah

Director

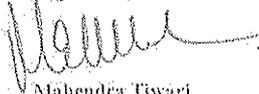
Mumbai, Dated: April 05, 2017

PRIMESEC INVESTMENTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| | INFLOWS/(OUTFLOWS) | |
|--|-------------------------------------|-------------------------------------|
| | Year ended 31-Mar-17 (Rupees) | Year ended 31-Mar-16 (Rupees) |
| A. Cash flow from Operating Activities | | |
| Net Profit / (Loss) before Tax | 2,743.10 | (20.45) |
| Adjustments for: | | |
| Interest Income | (0.79) | (0.07) |
| (Gain)/Loss on Sale of Investments (Net) | (28.38) | (249.63) |
| Sundry Balances Written off | 2,449.98 | - |
| Amounts Written Back | (4,695.86) | - |
| Investments Written off | 722.66 | - |
| Interest Paid | - | 0.01 |
| | (1,552.39) | (249.69) |
| Operating Profit / (Loss) before Working Capital changes | 1,190.71 | (270.14) |
| Adjustments for Changes in the Working Capital | | |
| Trade Receivable | (400.10) | - |
| Other Current Assets | (92.17) | (1,282.74) |
| Current Liabilities & Provisions | (32.96) | (1,832.95) |
| | (525.23) | (3,115.18) |
| Cash generated from operations | 665.48 | (3,385.32) |
| Direct Taxes Paid (Net) | (85.85) | 1.03 |
| Net Cash from Operating Activities (A) | 579.63 | (3,384.29) |
| B. Cashflow from Investment Activities | | |
| Interest Received | 0.79 | 0.07 |
| Purchase of Investments | (34.00) | - |
| Sale of Investments | 61.12 | 681.81 |
| Loans & Advances | 207.69 | 2,587.77 |
| Net Cash from Investment Activities (B) | 235.60 | 3,269.65 |
| C. Cashflow from Financing Activities | | |
| Proceeds from Issue of Share Capital | - | (7,500.00) |
| Interest Paid | - | (0.01) |
| Funds Borrowed (Net) | (545.09) | 7,612.30 |
| Net Cash from Financing Activities (C) | (545.09) | 112.29 |
| Net Cashflow (A + B + C) | 270.14 | (2.35) |
| Changes in the Cash & Bank Balance | 270.14 | (2.35) |
| Cash and Cash Equivalents at the beginning of the year | 4.79 | 7.14 |
| Cash and Cash Equivalents at the end of the year | 274.93 | 4.79 |

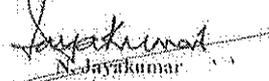
As per our Report attached
For and on behalf of
MAHENDRA TIWARI & CO
Chartered Accountants
Registration No. 125844W


Mahendra Tiwari
Partner
Membership No. 118416

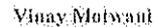


Mumbai, Dated: April 05, 2017

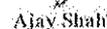
For and on behalf of the Board


N. Jayakumar

Director


Vinay Motwani

Director


Ajay Shah

Director

Mumbai, Dated: April 05, 2017

PRIMESEC INVESTMENTS LIMITED

NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

| NOTE 1 - SHARE CAPITAL | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
|--|-------------------------------------|-------------------------------------|
| AUTHORISED | | |
| 20,00,000 Equity Shares of Rs. 10/- each | 200.00 | 200.00 |
| Total | 200.00 | 200.00 |
| ISSUED, SUBSCRIBED AND FULLY PAID-UP | | |
| 16,36,000 (Previous Year 16,36,000) Equity Shares of Rs. 10/- each | 163.60 | 163.60 |
| Note: | | |
| a) The entire share capital is held by the holding company Prime Securities Limited along with its nominees | | |
| b) Includes 193,000 equity shares of Rs. 10 each issued pursuant to a contract without payment being received in cash. | | |
| Total | 163.60 | 163.60 |
| NOTE 2 - RESERVES AND SURPLUS | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
| Securities Premium Reserve: | | |
| As per last Balance Sheet | 634.40 | 634.40 |
| | 634.40 | 634.40 |
| Surplus | | |
| Balance at the beginning of the period | (8,038.12) | (8,017.67) |
| Add: Net Profit / (Loss) for the period | 2,157.10 | (20.45) |
| | (5,881.02) | (8,038.12) |
| Total | (5,246.62) | (7,403.72) |
| NOTE 3 - LONG-TERM PROVISIONS | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
| Provision for Employee Benefits | | |
| - Leave Encashment | 8.21 | - |
| Provision for Tax (Net of Advance Tax) | 500.15 | - |
| Total | 508.36 | - |
| NOTE 4 - SHORT-TERM BORROWINGS | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
| Loan and Advances other than Banks | | |
| Secured [Against pledge of specified investments owned by the Company (Refer note 7)] | - | 4,052.11 |
| Loan and Advances from Related Parties | | |
| From Holding Company | 5,176.11 | 5,721.20 |
| From Associate Company | 240.00 | 240.00 |
| From Director | 175.00 | 175.00 |
| Total | 5,591.11 | 10,188.31 |
| NOTE 5 - TRADE PAYABLES | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
| Trade Payable | 0.67 | 1.58 |
| [As per the information available with the Company, there are no dues outstanding as on 31st March 2017 to any micro, small and medium enterprise as defined under section 7 of Micro, Small & Medium Enterprises Development Act, 2006] | | |
| Total | 0.67 | 1.58 |
| NOTE 6 - OTHER CURRENT LIABILITIES | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
| Other Payables | | |
| Statutory Dues | 0.51 | 0.13 |
| Payable on Purchase of Investments | - | 51.46 |
| Other Liabilities | 61.99 | 403.59 |
| Total | 62.50 | 455.18 |



10/11/17

PRIMESEC INVESTMENTS LIMITED

| NOTE 7 - NON-CURRENT INVESTMENTS (NON-TRADE) | Face Value | Quantity (Nos.) as at 31-Mar-17 | Quantity (Nos.) as at 31-Mar-16 | As at 31-Mar-17 (Rs. in lacs) | As at 31-Mar-16 (Rs. in lacs) |
|--|---------------|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| INVESTMENT IN EQUITY INSTRUMENTS | | | | | |
| OTHER INVESTMENTS | | | | | |
| A) In Associate Company | | | | | |
| Unquoted, Fully Paid up | | | | | |
| Primary Cuisine Private Limited Class A | Rs. 10 | 120,000 | 120,000 | 18.06 | 18.06 |
| Primary Cuisine Private Limited Class B | Rs. 10 | 120,000 | 120,000 | 18.06 | 18.06 |
| Total A | | | | 36.12 | 36.12 |
| B) In Other Companies | | | | | |
| I) Quoted, Fully Paid up | | | | | |
| @ Dr. Datsons Lab Limited | Rs. 10 | - | 10,159 | - | 16.40 |
| ! ABG Shipyard Limited | Rs. 10 | - | 311,880 | - | 327.80 |
| Confidence Petroleum India Limited | Rs. 10 | 26,972 | - | 1.25 | - |
| # Greycells Entertainment Limited | Rs. 10 | 38,500 | 38,500 | 15.36 | 15.36 |
| % Liquidbees | Rs. 1000 | - | 30,681 | - | 306.81 |
| Solid Stone Company Limited | Rs. 10 | 130,792 | 130,792 | 118.51 | 118.51 |
| Welspun Corp Limited | Rs. 5 | - | 6,200 | - | 6.04 |
| Total B (I) | | | | 135.12 | 790.92 |
| II) Unquoted, Fully Paid up | | | | | |
| Anant Media Private Limited | Rs. 10 | 1,692 | 1,692 | 200.00 | 200.00 |
| Business India Publications Limited | Rs. 10 | - | 67,294 | - | 65.61 |
| | | | | 200.00 | 265.61 |
| Less: Provision for Diminution in the value of Investments | | | | 200.00 | 200.00 |
| Total B (II) | | | | - | 65.61 |
| Total B [B (I)+B (II)] | | | | 135.12 | 856.53 |
| Total Non Current Investments (A+B) | | | | 171.24 | 892.65 |
| Aggregate amount of Quoted Investments (A) | | | | 135.12 | 928.77 |
| Market Value of Quoted Investments | | | | 412.74 | 412.74 |
| Aggregate Amount of Unquoted Investments (B) | | | | 36.12 | 101.73 |

NOTES:

Shares are under lien/pledge towards short-term borrowings by the Company.
Refer Note 21 for diminution in value considered temporary in nature.

| NOTE 8 - LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD) | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
|---|-------------------------------------|-------------------------------------|
| Other Loans and Advances | | |
| Advance Income Tax (Net of Provisions) | - | 5.23 |
| Total | - | 5.23 |

| NOTE 9 - CASH AND BANK BALANCES | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
|---------------------------------|-------------------------------------|-------------------------------------|
| Cash and Cash Equivalents: | | |
| Balances with Bank: | | |
| - In Current Accounts | 274.68 | 4.66 |
| Cash on Hand | 0.25 | 0.13 |
| Total | 274.93 | 4.79 |

| NOTE 10 - SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD) | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
|---|-------------------------------------|-------------------------------------|
| Loans and Advances to Related Parties | | |
| To an associate as Intercompany Deposit | - | 162.84 |
| Others | | |
| Other Short Term Advances | 100.49 | 1,057.21 |
| Total | 100.49 | 1,220.04 |

| NOTE 11 - OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD) | As At 31-Mar-17 (Rs. in lacs) | As At 31-Mar-16 (Rs. in lacs) |
|--|-------------------------------------|-------------------------------------|
| Receivable on Sale of Investments | 132.86 | 1,282.24 |
| Total | 132.86 | 1,282.24 |

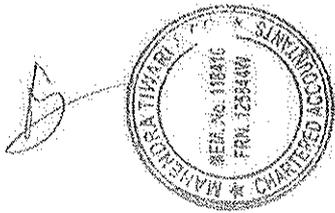


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PRIMESEC INVESTMENTS LIMITED

| NOTE 12 - REVENUE FROM OPERATIONS | Year ended 31-Mar-17 (Rs. in lacs) | Year ended 31-Mar-16 (Rs. in lacs) |
|--|--|--|
| Merchant Banking and Advisory Fees | 1,232.50 | - |
| Total | 1,232.50 | - |
| NOTE 13 - OTHER INCOME | Year ended 31-Mar-17 (Rs. in lacs) | Year ended 31-Mar-16 (Rs. in lacs) |
| Interest Received On Income Tax Refund | 0.79 | 0.07 |
| Gain / (Loss) on sale of investments | 28.38 | 249.63 |
| Total | 29.17 | 249.69 |
| NOTE 14 - EMPLOYEE BENEFIT EXPENSES | Year ended 31-Mar-17 Rs. | Year ended 31-Mar-16 Rs. |
| Salaries | 27.54 | - |
| Contribution to Provident and Other Funds | 0.57 | - |
| Staff Welfare Expenses | 0.05 | - |
| Total | 28.16 | - |
| NOTE 15 - FINANCE COSTS | Year ended 31-Mar-17 (Rs. in lacs) | Year ended 31-Mar-16 (Rs. in lacs) |
| Interest Expense | - | 0.01 |
| Total | - | 0.01 |
| NOTE 16 - OTHER EXPENSES | Year ended 31-Mar-17 (Rs. in lacs) | Year ended 31-Mar-16 (Rs. in lacs) |
| Consultancy & Professional Charges | 10.71 | 1.85 |
| Rates & Taxes | 0.18 | 6.15 |
| Travelling & Conveyance | 0.54 | - |
| Auditor's Remuneration | 0.85 | 0.50 |
| - For Audit Fees | - | - |
| - For Taxation | - | - |
| - For Other Services | - | - |
| Diminution in Value of Current Investments | - | - |
| Balances Written off | - | 261.51 |
| Miscellaneous Expenses | 1.35 | 0.13 |
| Total | 13.63 | 270.14 |
| NOTE 17 - EXTRAORDINARY ITEMS | Year ended 31-Mar-17 (Rs. in lacs) | Year ended 31-Mar-16 (Rs. in lacs) |
| Amounts Written Back | 4,672.68 | - |
| Balances Written-off | (3,149.45) | - |
| Total | 1,523.22 | - |



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PRIMESEC INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

18. Significant Accounting Policies

a. Basis of Presentation of Financial Statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Investments

Investments intended, at the time of acquisition, to be held for a period exceeding twelve months are classified as "Non-Current Investments". All other Investments are classified as "Current Investments".

Investments are accounted on trade date at cost of acquisition which includes brokerage and other charges.

Current Investments are valued at cost or market value, whichever is lower, whereby the cost of each scrip is compared with its market value and the resultant shortfall, if any, is charged to revenue.

Non-Current Investments are stated at cost less provision, if any, for diminution which is considered other than temporary in nature.

c. Revenue Recognition

Interest is accounted on accrual basis.

Dividend is accounted when the right to receive is established.

Gains or losses on sale of Investments are recognised on trade dates by comparing the sales realisation with the weighted average cost of such investment.

d. Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961

Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

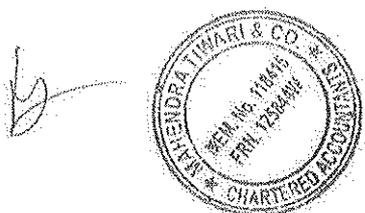
Deferred tax assets are recognised only if there is a reasonable certainty of their realization.

e. Derivative Transactions

Gains are recognized only on settlement/expiry of derivative instruments.

All open positions are marked to market and unrealized losses are provided for. Unrealized gains, if any, on marked to market are not recognized.

Debit/Credit balance on open interest as on the balance sheet dates are shown as current assets/liabilities, as the case may be.



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PRIMESEC INVESTMENTS LIMITED

f. Earning per Share:

In determining basic earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

g. Provision & Contingences

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

19. The Company has a negative net worth of Rs. 5,083.02 Lacs. Based on evaluation of the current situation, backed by established revenue streams, the management holds the view that the Company will be able to discharge its liabilities in the normal course of business. Accordingly, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

20. The Company has an investment of Rs. 36.12 Lacs in equity shares of Primary Cuisine Private Limited (PCPL), an associate company.

Based on audited accounts for the year ended 31st March 2016 PCPL has a negative net worth of Rs. 187.17 Lacs. However, having regard to the expected capital infusion and improved business conditions, the financial statements of PCPL have been prepared on the basis that it is a going-concern and that no adjustments are required to the carrying value of assets and liabilities.

Considering that the Company's investment in PCPL is of strategic and long term nature no provision is considered necessary by the management for diminution in the value of the Company's financial exposure in PCPL.

21. In the earlier year, the Company had entered into a loan agreement with two parties for funding the purchase of shares by them. As agreed with the said parties and pursuant to the explicit authority in terms of the loan agreement, the shares so purchased on behalf of the said parties were given for further pledging with the stock exchange as collateral in the derivatives segment. The funding for the shares so purchased was raised by way of selling long dated call and put options. In view of the various breaches and defaults committed by the said parties in fulfilling the terms and conditions of the loan agreement, the Company had terminated the loan agreement and the Company has initiated winding up petition and filed a recovery suit.

22. (a) The Company has written back a secured loan amounting to Rs. 4,052.11 lacs by crediting the statement of Profit & Loss as in the opinion of management the same would not be payable pursuant to a proposed restructuring/settlement of the loan.

(b) The Company has not accounted for interest of Rs. 1,357.25 lacs for period up to March 31, 2016 in respect of the said secured loan as in the opinion of the management the same would not be payable pursuant to a proposed restructuring/settlement of loan.

(c) The Company has written-off certain investments in shares of companies aggregating to Rs. 722.66 lacs as in the opinion of the management the value therein is not realizable as the shares were pledged as security for the said loan.

23. The Company has written back certain unsecured loans and current liabilities amounting to Rs. 620.57 lacs by crediting the statement of Profit & Loss as the same were no longer payable in the opinion of the management.

24. There has been a decline of Rs. 7.81 lacs as on 31st March 2017 in the carrying value of Non-current Investments. No provision for diminution in the value of such investments has been considered necessary since, in the opinion of the management, such diminution is only temporary in nature.



PRIMESEC INVESTMENTS LIMITED

25. Retirement Benefits

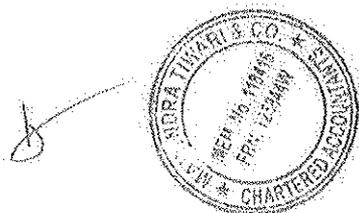
(Disclosure as required by AS 15 (Revised), "Accounting for Retirement Benefits" issued by Institute of Chartered Accountants of India)

Contribution to gratuity for India based employees are accrued on the basis of actuarial valuation and are also accordingly funded. The balance of Projects Benefit Obligation (PBO) on gratuity over the funded amount is accrued as liability.

(A) Disclosure in terms of revised AS 15 on Retirement Benefits in respect of Defined Benefits Plans (Gratuity - funded scheme) (Rs. in laes)

| Particulars | Year ended March 31, 2017 |
|---|------------------------------|
| Change in Projected Benefits Obligation (PBO) | |
| PBO at beginning of the year | 11.69 |
| Service cost | 0.69 |
| Interest cost | 0.94 |
| Actuarial (gain) / loss | (0.05) |
| Benefits paid | - |
| PBO at the end of the period | 13.27 |
| Change in Plan Assets | |
| Plan assets at the beginning of the year at fair value | 13.88 |
| Expected return on plan assets | 1.12 |
| Employer Contribution | 0.70 |
| Actuarial gain/ (loss) | (15.00) |
| Benefits paid | - |
| Fair value of plan assets at the end of the year | 0.70 |
| Reconciliation of PBO and the fair value of the plan assets | |
| Fair value of plan assets at the end of the year | 0.70 |
| Present value of the defined benefit obligations at the end of the year | 13.27 |
| Funded Status of the Plan | (12.57) |
| Gratuity costs for the year | |
| Service cost | 0.69 |
| Interest cost | 0.94 |
| Expected return on plan assets | (1.12) |
| Actuarial (gain)/loss | 14.95 |
| Net Gratuity | 15.46 |
| Assumption | |
| Discount Factor | 7.32% |
| Estimated rate of return on plan assets | 7.32% |

(B) During the year, a provision of Rs. 8.21 laes (Previous year Rs. Nil) is made on account of actuarial liability for leave encashment and compensated absences. The aggregate provision as at year end is Rs. 8.21 laes (Previous Year Rs. Nil). The actuarial liability is computed assuming the discount factor of 7.32%.







PRIMESEC INVESTMENTS LIMITED

26. Disclosure of Specified Bank Notes (SBN)

(Rs. in Laacs)

| Particulars | SBNs | Other Denomination Notes | Total |
|--|------|--------------------------|-------|
| Closing cash in hand as on November 8, 2016 | 0.12 | 0.00 | 0.12 |
| (+) Permitted receipts | - | 0.15 | 0.15 |
| (-) Permitted payments | - | 0.01 | 0.01 |
| (-) Amount deposited in bank | 0.12 | - | 0.12 |
| Closing cash in hand as on December 30, 2016 | - | 0.14 | 0.14 |

27. Related Party Disclosures

A. Related party disclosures in respect of related parties with whom transactions have taken place during the year are given below:

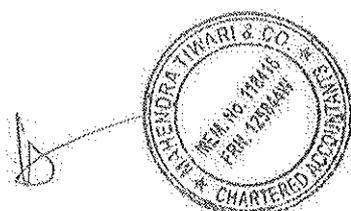
Relationships

- (i) **Holding Company**
 - Prime Securities Limited
- (ii) **Fellow Subsidiary Companies**
 - Prime Broking Company (India) Limited
- (iii) **Associate Company**
 - Primary Cuisine Private Limited
 - Judith Investments Private Limited
- (iv) **Key Management Personnel**
 - Mr. N Jayakumar

B. The following transactions were carried out with the related parties in the ordinary course of business during the year ended March 31, 2017:

(Rs. in Laacs)

| Nature of Transaction | Transactions during the year | | Balance as on: | |
|--|------------------------------|-----------------|----------------|--------------|
| | Current Year | Previous Period | Mar 31, 2017 | Mar 31, 2016 |
| Interest free Inter-corporate deposit received from Prime Securities Limited | | | | |
| - Sums Received | 79.28 | 292.66 | | |
| - Sums Paid | 625.00 | 72.25 | 5,176.11 | 5,721.20 |
| - Share Application Money Transferred to Loan | - | 7,500.00 | (Credit) | (Credit) |
| - Loan of Religare Finvest Limited assigned | - | 2,318.39 | | |







PRIMESEC INVESTMENTS LIMITED

| | | | | |
|---|--------|-------|-----------------|------------------|
| Share Application Money (Pending Allotment) received from Prime securities Limited | | | | |
| - Received | | | | |
| - Refunded | | | 7,500.00 | |
| Sums paid (net of sums received) / (received) (net of sums paid) from Prime Broking Company (India) Limited on Share Transactions | | | 1,192.22 | 1,282.24 (Debit) |
| Sums paid (net of sums received) / (received) (net of sums paid) from Prime Broking Company (India) Limited on current account | | | 90.00 | |
| Loan given to / received back from Primary Cuisine Private Limited | | | | |
| Loan Given | 5.57 | 64.00 | | 162.84 |
| Loan Received Back | 168.41 | 15.00 | | (Debit) |
| Interest free Loan received from Mr. N Jayakumar | | | 175.00 (Credit) | 175.00 (Credit) |
| Interest free Inter Corporate Deposit received from Judith Investments Private Limited | | | 240.00 (Credit) | 240.00 (Credit) |

28. Earnings per Share

(Rs. in Laacs)

| Particulars | Year ended Mar 31, 2017 | Year ended Mar 31, 2016 |
|---|----------------------------|----------------------------|
| Net Profit / (Loss) after Tax attributable to equity shareholders | 2,157.10 | (20.45) |
| Weighted Average Number of Equity Shares of Rs. 10/- each | 16,36,000 | 16,36,000 |
| Basic and Diluted Earnings per Share (Rs.) | 131.85 | (1.25) |

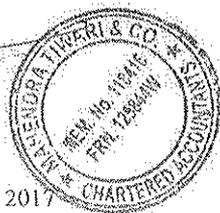
29. The taxation timing differences relate mainly due to carry forward of losses and the net effect of such differences result in a deferred tax asset. As a measure of prudence such net deferred tax asset is, for the time being, not recognized in the accounts in absence of certainty about its realization.

30. Previous period figures are regrouped / rearranged wherever necessary.

For and on behalf of
MAHENDRA TIWARI & CO
Chartered Accountants
(Registration No. 125844W)

Mahendra Tiwari

Mahendra Tiwari
Partner
Membership No 118416
Mumbai, Dated: April 05, 2017



For and on behalf of the Board
N. Jayakumar
N. Jayakumar Director

Vinay Motiwani
Vinay Motiwani Director

Ajay Shah
Ajay Shah Director

Mumbai, Dated: April 05, 2017