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MAHENDRA TIWARI & CO.
Chartered Accountants

INDEPENDENT AUDITORS REPORT

To,
The Members of PRIMESEC INVESTMENTS LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone financial statements of **PRIMESEC INVESTMENTS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Cash Flow, the statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Financial Statements

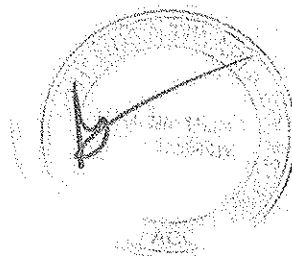
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other 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) specified 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 standalone 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 standalone 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.





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

Opinion

In our opinion and to the best of our knowledge and according to the information and explanations given to us, the said standalone 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, of the state of affairs of the Company as at March 31, 2018 and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

The accompanying standalone Ind AS financial statements are prepared on going concern basis, notwithstanding the circumstances referred in Note 26(a) which casts significant doubt about Company's ability to meet its financial obligations as and when they fall due. The appropriateness of the said basis is inter alia dependent on the Company's ability to revive and realize its assets in the normal course of business. Relying on the above, no adjustments have been made to the carrying value of the assets and liabilities in the accompanying financial statements. Our opinion is not modified in respect of this matter.

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 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 (including Other Comprehensive Income), the statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.





MAHENDRA TIWARI & CO.

Chartered Accountants

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 standalone Ind AS 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 reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For MAHENDRA TIWARI & CO

Chartered Accountants

(Firm Registration No. 125844W)


[MAHENDRA TIWARI]
Partner
Membership No. 118416

Mumbai

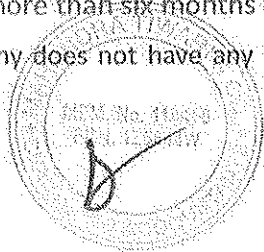
May 29, 2018



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 March 31, 2018 we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, all the fixed assets were physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, no discrepancies were noticed on such physical verification.
c) According to the information and explanations given to us, the Company does not own any immovable property and therefore Clause 3(i)(c) 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. According to the information and explanations given to us, 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 Companies Act, 2013 accordingly, provisions of paragraphs 3(a), 3(b), and 3(c) Order are not applicable to the Company.
4. In our opinion and according to the information and explanations 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. (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, goods and services 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 employees' state insurance.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
8. The Company does not have any loans or borrowings from any financial institution,





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MAHENDRA TIWARI & CO.

Chartered Accountants

banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable

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
10. 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.
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 standalone Ind AS financial statements as required under Indian Accounting standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules.
14. According to the information and explanations give to us and based on our examination of the records of 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. 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 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]



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 March 31, 2018 in conjunction with our audit of the standalone 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 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 March 31, 2018 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**]
Partner
Membership No. 118416

Mumbai
May 29, 2018

PRIMESEC INVESTMENTS LIMITED

STANDALONE FINANCIAL STATEMENTS BALANCESHEET AS AT MARCH 31, 2018

(Rs. in Lacs)

| Particulars | Note No. | As at 31-Mar-18 | As at 31-Mar-17 | As at 1-Apr-16 |
|--|----------|-------------------|-------------------|-------------------|
| ASSETS | | | | |
| 1. Non-current assets | | | | |
| (a) Property, Plant & Equipment | 1 | 5.28 | - | - |
| (b) Financial Assets | | | | |
| (i) Investments in Associate | 2(A) | - | - | - |
| (ii) Other Investments | 2(B) | 102.99 | 128.17 | 478.34 |
| (c) Non-Current Advance tax Assets (Net) | 3 | 6.71 | - | 5.23 |
| (d) Other non-current assets | 4 | 8.90 | - | - |
| Total Non-Current Assets | | 123.88 | 128.17 | 483.57 |
| 2. Current assets | | | | |
| (a) Financial Assets | | | | |
| (i) Trade Receivables | 5 | 64.90 | 400.10 | - |
| (ii) Cash & Cash equivalents | 6 | 3.13 | 274.93 | 4.79 |
| (iii) Loans | 7 | 200.00 | - | 162.84 |
| (iv) Other Financial Assets | 8 | 124.91 | 132.86 | 1,282.24 |
| (b) Other Current Assets | 9 | 80.22 | 100.49 | 1,057.20 |
| Total Current Assets | | 473.16 | 908.38 | 2,507.07 |
| Total Assets | | 597.04 | 1,036.55 | 2,990.64 |
| EQUITY AND LIABILITIES | | | | |
| 1. Equity | | | | |
| (a) Equity Share capital | 10 | 163.60 | 163.60 | 163.60 |
| (b) Other Equity | 11 | (4,426.62) | (5,289.69) | (7,818.03) |
| Total Equity | | (4,263.02) | (5,126.09) | (7,654.43) |
| 2. Non-current liabilities | | | | |
| Provisions | 12 | 7.79 | 7.45 | - |
| Total Non-Current Liabilities | | 7.79 | 7.45 | - |
| 3. Current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 13 | 4,783.37 | 5,591.11 | 10,188.31 |
| (ii) Trade Payables | 14 | 1.72 | 0.67 | 1.58 |
| (b) Other current liabilities | 15 | 66.34 | 62.49 | 455.18 |
| (c) Provisions | 16 | 0.84 | 0.77 | - |
| (d) Current tax liabilities (Net) | | - | 500.15 | - |
| Total Current Liabilities | | 4,852.27 | 6,155.19 | 10,645.07 |
| Total Equity and Liabilities | | 597.04 | 1,036.55 | 2,990.64 |

Significant accounting policies Note No. 25

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

As per our Report attached.

For and on behalf of

MAHENDRA TIWARI & CO

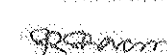
Chartered Accountants

(Registration No. 125844W)


Mahendra Tiwari
Partner
Membership No. 118416

Mumbai, Dated: May 29, 2018

For and on behalf of the Board


S. R. Sharma
Managing Director


N. Jayakumar
Director


Pradip Dubhashi
Chairman


Alpina Parida
Director


Anil Dharker
Director

Mumbai, Dated: May 29, 2018

PRIMESEC INVESTMENTS LIMITED
STANDALONE FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Laacs)

| Particulars | Note No. | Year ended 31-Mar-18 | Year ended 31-Mar-17 |
|--|----------|----------------------|----------------------|
| I Revenue from Operations | 17 | 1,484.24 | 1,232.50 |
| II Other Income | 18 | 0.93 | 29.17 |
| III Total Income (I+II) | | 1,485.17 | 1,261.67 |
| IV Expenses | | | |
| Employee benefits expenses | 19 | 94.41 | 19.95 |
| Finance cost | 20 | 0.09 | - |
| Depreciation and amortization expenses | 1 | 0.34 | - |
| Other expenses | 21 | 93.92 | 56.70 |
| Total Expenses | | 188.76 | 76.65 |
| V Profit / (loss) before exceptional items and tax (III -IV) | | 1,296.41 | 1,185.02 |
| VI Exceptional Items | 22 | (197.69) | 1,523.22 |
| VII Profit / (loss) before tax (V + VI) | | 1,098.72 | 2,708.24 |
| VIII Tax expense: | | | |
| Current tax | 23 | 235.00 | 587.67 |
| IX Profit / (loss) for the year (VII - VIII) | | 863.72 | 2,120.57 |
| X Other Comprehensive Income: | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit liability | 24 | (0.82) | (8.21) |
| Income tax effect on above | | 0.17 | 1.67 |
| XI Total Comprehensive Income for the period (IX + X) (Comprising Profit / (Loss) and other comprehensive income for the period) | | 862.73 | 2,110.69 |
| XII Earnings per equity share: | | | |
| Basic | | 52.79 | 129.62 |
| Diluted | | 52.79 | 129.62 |

Significant accounting policies Note No. 25


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

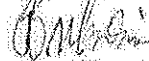
As per our Report attached
For and on behalf of:
MAHENDRA TIWARI & CO.
Chartered Accountants
(Registration No. 125844W)

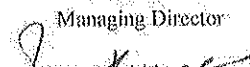

Mahendra Tiwari
Partner
Membership No. 418416


Mumbai, Dated: May 29, 2018


For and on behalf of the Board


S. R. Sharma
Managing Director


Pradip Dubhashi
Chairman


Jayakumar
Director


Alpada Parida
Director


Anil Dhariker
Director


Mumbai, Dated: May 29, 2018

PRIMESEC INVESTMENTS LIMITED
Statement of Changes in Equity (SOCIE) for the Year ended March 31, 2018


| (a) Equity Share Capital | (Rs. in Lacs) | | |
|--------------------------|--|------------------------|------------------------|
| | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| | | No. of Shares | Amount |
| | Balance at the beginning of the reporting period | 1,636,000 | 16.36 |
| | changes in equity share capital during the year | - | - |
| | Balance at the end of the reporting period | 1,636,000 | 16.36 |


| (b) Other Equity | (Rs. in Lacs) | | | | |
|------------------|---|----------------------|----------------------------|----------------------------|-----------------|
| | Particulars | Reserves and Surplus | | | Total |
| | | Capital Reserve | Capital Redemption Reserve | Securities Premium Reserve | General Reserve |
| | Balance at April 1, 2016 | - | - | 634.40 | - |
| | Profit for the year | - | - | - | (8,038.12) |
| | Actuarial gain / (Loss) on defined benefit plan | - | - | - | 2,120.57 |
| | Other comprehensive income for the year | - | - | - | - |
| | Total comprehensive income for the year | - | - | - | (6.54) |
| | Issue of Shares | - | - | - | - |
| | Balance at March 31, 2017 | - | - | 634.40 | (5,917.55) |
| | Profit for the year | - | - | - | (5,917.55) |
| | Actuarial gain / (Loss) on defined benefits plan net of tax | - | - | - | 863.72 |
| | Other comprehensive income for the year | - | - | - | (0.65) |
| | Total comprehensive income for the year | - | - | - | (0.65) |
| | Balance at March, 2018 | - | - | 634.40 | (5,053.83) |

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


Mahendra Tiwari
Partner
Membership No. 118416
Mumbai, Dated: May 29, 2018

For and on behalf of the Board


S. R. Sharma
Managing Director


Pradip Dubhashi
Chairman


Alpna Parida
Director


Anil Dharker
Director

Mumbai, Dated: May 29, 2018

PRIMESEC INVESTMENTS LIMITED


CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2018

| | INFLOWS/(OUTFLOWS) | |
|--|--|--|
| | Period ended 31/03/2018 (Rupees) | Period ended 31/03/2017 (Rupees) |
| A Cash flow from Operating Activities | | |
| Net Profit before tax from continuing operations | 1,097.90 | 2,743.10 |
| Adjustments for: | | |
| Interest Received | - | (0.79) |
| Interest & Finance Charges | 0.09 | - |
| Depreciation | 0.34 | - |
| (Gain)/Loss on Sale of Investments (Net) | (0.93) | (28.38) |
| Sundry Balances Written off | 197.69 | 2,449.98 |
| Amounts Written Back | - | (4,695.86) |
| Investments Written off | - | 722.66 |
| (Appreciation)/Diminution in value of Investments | 23.93 | - |
| | 221.12 | (1,552.39) |
| Operating Profit / (Loss) before Working Capital changes | 1,319.02 | 1,190.71 |
| Adjustments for Changes in the Working Capital | | |
| Debtors | 335.20 | (400.10) |
| Current Assets | 11.37 | (92.17) |
| Loans & Advances | (389.73) | 207.69 |
| Current Liabilities & Provisions | 5.31 | (32.96) |
| | (37.85) | (317.54) |
| Cash generated from operations | 1,281.17 | 873.17 |
| Direct Taxes Paid (Net) / Refund (net) | (741.70) | (85.85) |
| Net Cash from Operating Activities (A) | 539.47 | 787.32 |
| B Cashflow from Investment Activities | | |
| Purchase of Fixed Assets | (5.62) | - |
| Interest Received | - | 0.79 |
| Purchase of Investments | - | (34.00) |
| Sale of Investments | 2.18 | 61.12 |
| Net Cash from Investment Activities (B) | (3.44) | 27.91 |
| C Cashflow from Financing Activities | | |
| Interest & Finance Charges | (0.09) | - |
| Funds Borrowed / (Repaid) (Net) | (807.74) | (545.09) |
| Net Cash from Financing Activities (C) | (807.83) | (545.09) |
| Net Cashflow (A + B + C) | (271.80) | 270.14 |
| Changes in the Cash & Bank Balance | (271.80) | 270.14 |
| Cash and Cash Equivalents at the beginning of the year | 274.93 | 4.79 |
| Cash and Cash Equivalents at the end of the year | 3.13 | 274.93 |

Notes to the cash flow statement

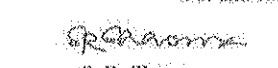
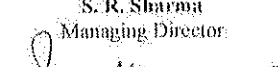
- 1 Cash Compares Cash on Hand and Current Accounts with Banks.
- 2 The Cash Flow statement has been prepared under the "Indirect Method" as set out Indian Accounting Standard (Ind AS -7) Statement of Cash flows.
- 3 Previous year's figures have been regrouped / recasted wherever necessary.


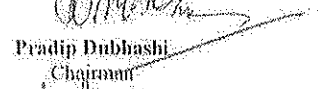
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MAHENDRA TIWARI & CO
Chartered Accountants
(Registration No. 125844W)


Mahendra Tiwari
Partner
Membership No. 118416

Mumbai, Dated: May 29, 2018.

For and on behalf of the Board


S. R. Sharma
Managing Director

N. Jayakumar
Director


Pradip Dubhashi
Chairman

Alpina Parida
Director

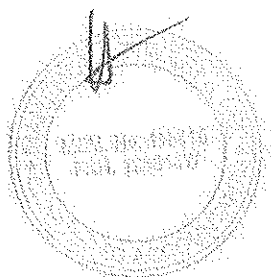

Anil Dharker
Director




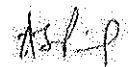

Mumbai, Dated: May 29, 2018

PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE I - Property, Plant and Equipment

| Particulars | Computer | Furniture & Fixtures | Office Equipments | Total |
|-------------------------------|----------|----------------------|-------------------|-------|
| Gross Block | | | | |
| Balance as at 1st April 2016 | | | | - |
| Additions | | | | - |
| Adjustments | | | | - |
| Disposals | | | | - |
| Balance as at 31st March 2017 | | | | - |
| Balance as at 1st April 2017 | | | | - |
| Additions | 0.32 | 3.02 | 2.28 | 5.62 |
| Adjustments | | | | - |
| Disposals | | | | - |
| Balance as at 31st March 2018 | 0.32 | 3.02 | 2.28 | 5.62 |
| Depreciation: | | | | |
| Balance as at 1st April 2016 | | | | - |
| Additions | | | | - |
| Adjustments | | | | - |
| Disposals | | | | - |
| Balance as at 31st March 2017 | | | | - |
| Balance as at 1st April 2017 | | | | - |
| Additions | 0.07 | 0.08 | 0.19 | 0.34 |
| Adjustments | | | | - |
| Disposals | | | | - |
| Balance as at 31st March 2018 | 0.07 | 0.08 | 0.19 | 0.34 |
| Net Block: | | | | |
| As at 31st March, 2017 | - | - | - | - |
| As at 31st March, 2018 | 0.25 | 2.94 | 2.09 | 5.28 |

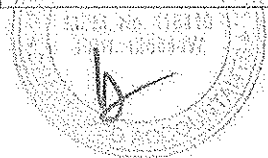


PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

| Particulars | As at 31-Mar-18 | As at 31-Mar-17 | As at 1-Apr-16 |
|---|--------------------|--------------------|-------------------|
| 2(A) Investment in Equity Instruments (Non Trade) | | | |
| Investment in Associates (At Amortised Cost less Impairment) | | | |
| Unquoted, Fully Paid-up | | | |
| (i) 1,20,000 (March 31, 2017 1,20,000 and April 1, 2016 1,20,000) equity shares of Rs. 10/- each of Primary Cuisine Private Limited (Class A Shares) | 18.06 | 18.06 | 18.06 |
| (ii) 1,20,000 (March 31, 2017 1,20,000 and April 1, 2016 1,20,000) equity shares of Rs. 10/- each of Primary Cuisine Private Limited (Class B Shares) | 18.06 | 18.06 | 18.06 |
| | 36.12 | 36.12 | 36.12 |
| Less: Impairment in value of Investments. | 36.12 | 36.12 | 36.12 |
| Total (A) | - | - | - |
| 2(B) In Other Companies | | | |
| (At Fair Value through Profit & Loss Account) | | | |
| I) Quoted, Fully Paid-up | | | |
| (i) Nil (March 31, 2017 Nil and April 1, 2016 10,159) equity shares of Rs. 10/- each of Anjaneya Lifecare Limited | - | - | - |
| (ii) Nil (March 31, 2017 Nil and April 1, 2016 91,440) equity shares of Rs. 10/- each of ABG Shipyard Limited | - | - | 43.89 |
| (iii) Nil (March 31, 2017 26,972 and April 1, 2016 Nil) equity shares of Rs. 10/- each of Confidence Petroleum India Limited | - | 1.25 | - |
| (iv) 38,500 (March 31, 2017 38,500 and April 1, 2016 38,500) equity shares of Rs. 10/- each of Greycells Education Limited | 15.36 | 11.53 | 11.53 |
| (v) 30,681 (March 31, 2017 30,681 and April 1, 2016 30,681) equity shares of Rs. 1000/- each of Liquidbees | - | - | 306.81 |
| (vi) 1,30,792 (March 31, 2017 1,30,792 and April 1, 2016 1,30,792) equity shares of Rs. 10/- each of Solid Stone Company Limited | 87.63 | 115.39 | 46.29 |
| (vii) Nil (March 31, 2017 Nil and April 1, 2016 6,200) equity shares of Rs. 5/- each of Welspun Corp Limited | - | - | 4.21 |
| Total B (I) | 102.99 | 128.17 | 412.73 |
| II) Unquoted, Fully Paid-up | | | |
| (i) 1,692 (March 31, 2017 1,692 and April 1, 2016 1,692) equity shares of Rs. 10/- each of Anant Media Private Limited | 200.00 | 200.00 | 200.00 |
| (ii) 67,294 (March 31, 2017 67,294 and April 1, 2016 67,294) equity shares of Rs. 10/- each of Business India Publications Limited | - | - | 65.61 |
| | 200.00 | 200.00 | 265.61 |
| Less: Impairment in value of Investments. | 200.00 | 200.00 | 200.00 |
| Total B (II) | - | - | 65.61 |
| Total B [B (I)+B (II)] | 102.99 | 128.17 | 478.34 |
| 3 Non-Current Advance tax Assets (Net) | | | |
| Advance Income Tax (Net of Provisions) | 6.71 | - | 5.23 |
| Total | 6.71 | - | 5.23 |
| 4 Other non-current assets | | | |
| Unsecured, Considered good | | | |
| Advances other than capital advances | | | |
| (i) Security Deposit | 8.90 | - | - |
| Total | 8.90 | - | - |
| 5 Trade Receivables | | | |
| Unsecured, Considered Good | 64.90 | 400.10 | - |
| Total | 64.90 | 400.10 | - |
| 6 Cash and Cash Equivalents | | | |
| Cash on Hand | 0.31 | 0.25 | 0.13 |
| Balance with Banks in Current Accounts | 2.82 | 274.68 | 4.66 |
| Total | 3.13 | 274.93 | 4.79 |
| 7 Current Loans | | | |
| Unsecured, Considered Good | | | |
| Loans to related parties | | | |
| Associate Company | 200.00 | - | 162.84 |
| Less: Provision for Doubtful Loans | - | - | - |
| Total | 200.00 | - | 162.84 |
| 8 Other Current Financial Assets | | | |
| Advance to related party | - | - | 1,282.24 |
| Advance to fellow subsidiary | - | - | - |
| Other Receivables | 124.91 | 132.86 | - |
| Total | 124.91 | 132.86 | 1,282.24 |



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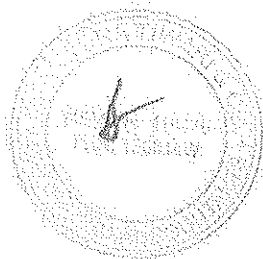
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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Laes)

| Particulars | As at 31-Mar-18 | As at 31-Mar-17 | As at 1-Apr-16 |
|---|--------------------|--------------------|-------------------|
| 9 Other Current Assets | | | |
| Advances other than Capital Advances | | | |
| Prepaid Expenses | 0.93 | - | - |
| Other Advances | 79.29 | 100.49 | 1,057.20 |
| Total | 80.22 | 100.49 | 1,057.20 |
| 10 Equity Share Capital | | | |
| Authorised | | | |
| 20,00,000 (March 31, 2017 20,00,000, April 1, 2016 20,00,000) Equity Shares of Rs. 10/- each | 200.00 | 200.00 | 200.00 |
| Total | 200.00 | 200.00 | 200.00 |
| Issued | | | |
| 16,36,000 (March 31, 2017 16,36,000 April 1, 2016 16,36,000) Equity Shares of Rs. 10/- each | 163.60 | 163.60 | 163.60 |
| Total | 163.60 | 163.60 | 163.60 |
| Subscribed & Fully Paid-up | | | |
| 16,36,000 (March 31, 2017 16,36,000 April 1, 2016 16,36,000) Equity Shares of Rs. 10/- each (includes 1,93,000 (March 31, 2017 1,93,000 April 1, 2016 1,93,000) Equity Shares of Rs. 10/- each issued pursuant to a contract without payment being received in cash). (Refer Note 25) | 163.60 | 163.60 | 163.60 |
| Total | 163.60 | 163.60 | 163.60 |
| 11 Other Equity | | | |
| (a) Capital Reserve | | | |
| The Reserve comprises of Profits / Gains of Capital nature earned by the Company and credited directly to such Reserve | | | |
| At the commencement and at the end of the year | - | - | - |
| Total | - | - | - |
| (b) Capital Redemption Reserve | | | |
| As per the Companies Act, 2013, the Capital Redemption Reserve is created when the Company purchases its own Shares out of Free Reserves or Securities Premium. A sum equal to the Nominal Value of the Shares so purchased is transferred to Capital Redemption Reserve | | | |
| At the commencement and at the end of the year | - | - | - |
| Total | - | - | - |
| (c) Securities Premium Reserve | | | |
| Securities Premium is used to record the premium on issue of Shares. The Reserve is utilised in accordance with the provisions of the Companies Act, 2013 | | | |
| At the commencement of the year | 634.40 | 634.40 | 634.40 |
| Add: Received during the year | - | - | - |
| Total | 634.40 | 634.40 | 634.40 |
| (d) Surplus | | | |
| At the commencement of the year... | (5,917.55) | (8,452.43) | |
| Add: Adjustment due to Restatement on fair value of Investments | | 414.31 | |
| Add: Net Profit / (Loss) for the Year | 863.72 | 2,120.57 | |
| Total | (5,053.83) | (5,917.55) | (8,452.43) |
| (e) Items of Other Comprehensive Income | | | |
| Remeasurement of defined benefit liability | | | |
| At the commencement of the year... | (6.54) | - | - |
| Add: Remeasurement of defined benefit liability | (0.65) | (6.54) | - |
| Total | (7.19) | (6.54) | - |
| Total Other Equity | (4,426.62) | (5,289.69) | (7,818.03) |

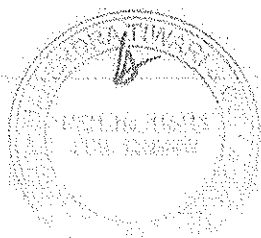










PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

| Particulars | As at 31-Mar-18 | As at 31-Mar-17 | As at 1-Apr-16 |
|---|--------------------|--------------------|-------------------|
| 12 Non-Current Provisions | | | |
| Provision for employee benefits (Refer note no 36) | | | |
| Compensated Absences | 7.79 | 7.45 | - |
| Total | 7.79 | 7.45 | - |
| 13 Borrowings - Current Liabilities | | | |
| Secured Loan | | | |
| Loans repayable on demand from other party | - | - | 4,052.11 |
| Unsecured | | | |
| Loans and advances from related parties | 4,783.37 | 5,591.11 | 6,136.20 |
| Total | 4,783.37 | 5,591.11 | 10,188.31 |
| 14 Trade Payables | | | |
| (a) Due to micro, small and medium enterprise (Refer note no 28) | - | - | - |
| (b) Due to Others | 1.72 | 0.67 | 1.58 |
| Total | 1.72 | 0.67 | 1.58 |
| 15 Other current liabilities | | | |
| (a) Revenue received in advance | - | - | - |
| (b) Statutory Dues Payable (includes Provident Fund, GST, Withholding Tax etc.) | 13.39 | 0.51 | 0.13 |
| (c) Outstanding Expenses Payable | - | - | - |
| (d) Other Payables | 52.95 | 61.98 | 403.59 |
| (e) Payable on Purchase of Investments | - | - | 51.46 |
| Total | 66.34 | 62.49 | 455.18 |
| 16 Current Provisions | | | |
| Provision for Employee Benefits (Refer note no 36) | | | |
| Gratuity | - | - | - |
| Compensated Absences | 0.84 | 0.77 | - |
| Total | 0.84 | 0.77 | - |



PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-18 | Year ended 31-Mar-17 | | | | |
|--|---------------------------|--------------------------|------------|---------------------------|--------------------------|------------|
| 17 Revenue from Operations | | | | | | |
| Corporate Restructuring Advisory Fees | 1,484.24 | 1,232.50 | | | | |
| Total | 1,484.24 | 1,232.50 | | | | |
| 18 Other Income | | | | | | |
| Interest Income | - | 0.79 | | | | |
| Net Gain / (Loss) on Sale of Investments | 0.93 | 28.38 | | | | |
| Total | 0.93 | 29.17 | | | | |
| 19 Employee Benefits Expense | | | | | | |
| Salaries | 90.44 | 19.33 | | | | |
| Contribution to Provident and Other Funds | 2.24 | 0.57 | | | | |
| Staff Welfare Expenses | 1.73 | 0.05 | | | | |
| Total | 94.41 | 19.95 | | | | |
| 20 Finance Costs | | | | | | |
| Interest Expense | 0.09 | - | | | | |
| Total | 0.09 | - | | | | |
| 21 Other Expenses | | | | | | |
| Rent | 9.18 | - | | | | |
| Repairs & Maintenance | 28.37 | 0.18 | | | | |
| Rates & Taxes | 0.26 | - | | | | |
| Travelling & Conveyance | 8.34 | 0.54 | | | | |
| Consultancy & Professional Charges | 12.52 | 10.71 | | | | |
| Director's Sitting Fees | 2.60 | - | | | | |
| Auditor's Remuneration | - | - | | | | |
| - For Audit Fees | 0.75 | 0.85 | | | | |
| - For Other Services | - | - | | | | |
| Diminution in Value of Investments | 23.93 | 43.07 | | | | |
| Corporate Social Responsibility Expenses | 1.20 | - | | | | |
| Miscellaneous Expenses | 6.77 | 1.35 | | | | |
| Total | 93.92 | 56.70 | | | | |
| 22 Extraordinary Items | | | | | | |
| Amounts Written Back | - | 4,672.68 | | | | |
| Balances Written off | (197.69) | (3,149.45) | | | | |
| Total | (197.69) | 1,523.22 | | | | |
| 23 Tax Expenses | | | | | | |
| (a) Amounts recognised in profit & loss: | | | | | | |
| Current income tax | 235.00 | 587.67 | | | | |
| Adjustment in respect of current income tax of previous year | - | - | | | | |
| Deferred income tax liability / (asset), net | - | - | | | | |
| Origination and reversal of temporary differences | - | - | | | | |
| Deferred tax expense | - | - | | | | |
| Tax expense for the year | 235.00 | 587.67 | | | | |
| Effective tax rate for the year | 21.39 | 21.70 | | | | |
| (b) Amounts Recognised in Other Comprehensive Income | | | | | | |
| | Year ended March 31, 2018 | | | Year ended March 31, 2017 | | |
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be Reclassified to Profit or Loss | | | | | | |
| Remeasurement of Defined Benefit Liability | (0.82) | 0.17 | (0.65) | (8.21) | 1.67 | (6.54) |
| | (0.82) | 0.17 | (0.65) | (8.21) | 1.67 | (6.54) |



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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars | Year ended 31-Mar-18 | Year ended 31-Mar-17 |
|--|-------------------------|-------------------------|
| (c) Reconciliation of effective tax rate | | |
| Profit Before Tax | 1,097.90 | 2,700.03 |
| Applicable Tax Rate | 28.84% | 28.84% |
| Computed Tax Expense | 316.64 | 778.69 |
| Tax effect of: | | |
| Allowances | - | (1,348) |
| Expenses Disallowed | 57.01 | 908.30 |
| Capital Gains Set off against brought forward losses | (0.27) | (8.45) |
| Brought forward losses | (373.38) | (328.69) |
| MAT under Section 115JB | 234.48 | 585.42 |
| Current Tax Provision (A) | 234.48 | 587.67 |
| Deferred Tax Provision (B) | - | - |
| Adjustment in respect of Current Income Tax of Previous Year | - | - |
| Tax Expense recognised in Statement of Profit and Loss (A) + (B) + (C) | 234.48 | 587.67 |
| The applicable Indian corporate statutory rate for the year ended 31st March, 2018 and 2017 is 27.55%. | | |
| 24 Other Comprehensive Income | | |
| Gratuity Provision | (0.04) | - |
| Leave Encashment Provision | (0.77) | (8.21) |
| Total | (0.82) | (8.21) |








PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

25 Significant accounting policies

a) Basis of preparation of Financial Statements:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the section 133 of the Companies Act 2013 ("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015, and Companies (Indian Accounting Standards) Rules, 2016. For all periods up to and for the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note no.38. The financial statements were authorised for issue by the Company's Board of Directors on May 29, 2018.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. The Company has ascertained the operating cycle to be 12 months.

Functional and presentation currency:

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakh, unless otherwise indicated.

Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value;
- defined benefit plans – plan assets measured at fair value.

b) Use of Estimates and Judgements:

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates. Estimates and assumptions are required in particular for:

• **Determination of the estimated useful lives of Property Plant and Equipments:**

Useful lives of Property Plant and Equipments are based on the life prescribed in Schedule II of the Companies Act, 2013.

• **Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

• **Recognition of deferred tax assets:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

• **Recognition and measurement of other provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

• **Discounting of long-term financial assets / liabilities:**

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

• **Segment reporting:**

Operating segments are reported in a manner consistent with the internal reporting. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

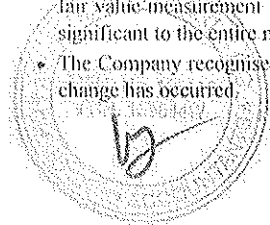
• **Measurement of fair values:**

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

c) Property, plant and equipment:

• Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises:
Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.
The cost of the property, plant and equipments as at 1st April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

d) Depreciation:

- Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013;
Useful life of Property Plant and Equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate.
- Depreciation on addition to assets or on sale/discardment of assets, is calculated pro rata from the date of such addition or upto the date of such sale/discardment, as the case may be;
- Individual assets except assets given on lease acquired for less than Rs. 5,000 are depreciated entirely in the year of acquisition.

e) Intangible Fixed Assets:

Intangible assets, which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.
The cost of intangible assets at April 1, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

f) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial Assets:

Classification:

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Equity investments:

Equity investments in subsidiaries are measured at cost less impairment.

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

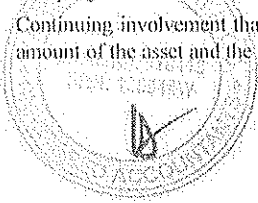
Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's 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 'passthrough' 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance;
- b) Trade receivables - The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

Financial liabilities:

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g) Employee Benefits:

Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

Post Employment / Retirement Benefits:

Contribution to Defined Contribution Plans such as Provident Fund, Employees' State Insurance Corporation, etc., are charged to the Statement of Profit and Loss as incurred.

Defined Benefit Plans - The present value of the obligation under such plans, is determined based on an actuarial valuation by an independent actuary at the end of each year, using the Projected Unit Credit Method. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

Other Long Term Employee Benefits:

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

h) Foreign Exchange Transactions:

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate as at the date of transaction.

i) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

j) Recognition of Income and Expenditure:

i) Merchant Banking and Advisory fees are accrued as per the terms of contract except where there is uncertainty as to their realization.

ii) Revenue/Income and Cost/Expenditure are accounted on accrual as they are earned or incurred, except in case of significant uncertainties.

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

iii) Dividend income is recognised when the right to receive is established.

iv) Interest income is recognised on accrual basis.

v) Gain or losses on sale of investments are recognized on trade dates by comparing the sales realization with the weighted average cost of such investment.

k) Leases:

• **Lease payments:**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

l) Impairment of non-financial assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

m) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n) Taxation:

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.



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o) Provisions, Contingent Assets and Contingent Liabilities:

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.



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PRIMESEC INVESTMENTS LIMITED
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| | | | | |
|----|--|--------------------------|------------------|-------------|
| 3. | Repayment of Interest free unsecured loan received from Mr N Jayakumar Sums paid Sums Received | Key Management Personnel | 175.00 - - | - - - |
| 4. | Remuneration paid to Key Managerial Personnel | Key Management Personnel | 19.03 | - |
| 5. | Sitting Fees for Board and Audit Committee Meetings to Independent Directors | Key Management Personnel | 2.60 | - |

Outstanding Balance

(Rs. in Lacs)

| Sr. No. | Nature of Transaction | Relationship | Balance as on | |
|---------|---|--------------------------|---------------------|---------------------|
| | | | March 31, 2018 | March 31, 2017 |
| 1. | Interest free Inter corporate deposit from Prime Securities Limited | Holding Company | 4543.37 (Credit) | 5176.11 (Credit) |
| 2. | Interest free Inter corporate Deposit to Primary Cuisine Private Limited | Associate Company | 200.00 (Debit) | - |
| 3. | Interest free unsecured loan from Mr N Jayakumar | Key Management Personnel | - | 175.00 (Credit) |
| 4. | Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited | Associate Company | 240.00 (Credit) | 240.00 (Credit) |

30. Operating Lease in respect of Assets taken on Lease:

(Rs. in lacs)

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---------------------------|---------------------------|
| i). Total of future minimum lease payments | | |
| a) Not later than one year | 17.40 | - |
| b) Later than one year and not later than five years | 25.62 | - |
| ii). Lease payments recognised in the Profit and Loss account | 9.18 | - |

31. In accordance with IND AS 108 – Operating Segment, segment information has been given in the Consolidated Financial Statement of Prime Securities Limited and therefore no separate disclosure on segment information is given in these financial statements.

32. Subsequent Events :

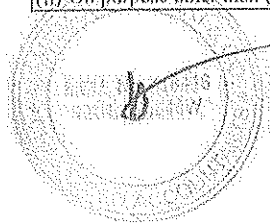
There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

33. Corporate Social Responsibility

As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013

- (a) Gross amount required to be spent by the Company during the year 2017-18 Rs. 14.88 lacs (Previous year Nil).
(b) Amount spent during the year on:

| Particulars | 2017-18 | 2016-17 | 2015-16 |
|---|---------|---------|---------|
| (i) Construction / acquisition of any asset | - | - | - |
| (ii) On purpose other than (i) above | 1.20 | - | - |



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PRIMESEC INVESTMENTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34 Financial Instruments – Fair values and risk management

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| (Rs. in Laes) | | | | | | | | |
|-------------------------------------|-----------------|--------|----------------|----------|------------|---------|---------|--------|
| March 31, 2018 | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 102.99 | | | 102.99 | | | | |
| Unquoted Equity Shares | | | | | | | | |
| Employee Loans | | | | | | | | |
| Security Deposits | | | 8.90 | 8.90 | | 8.90 | | 8.90 |
| Advance Given | | | | | | | | |
| Trade receivables | | | 64.90 | 64.90 | | | | |
| Cash and cash equivalents | | | 3.13 | 3.13 | | | | |
| Loans | | | 200.00 | 200.00 | | 200.00 | | 200.00 |
| Other Current Financial Assets | | | 124.91 | 124.91 | | | | |
| | 102.99 | | 401.84 | 504.83 | | 208.90 | | 208.90 |
| Financial liabilities | | | | | | | | |
| Non - current borrowings | | | | | | | | |
| Current borrowings | | | 4,783.37 | 4,783.37 | | | | |
| Trade and other payables | | | 1.72 | 1.72 | | | | |
| Other Current financial liabilities | | | 66.34 | 66.34 | | | | |
| | | | 4,851.43 | 4,851.43 | | | | |

| (Rs. in Laes) | | | | | | | | |
|-------------------------------------|-----------------|--------|----------------|----------|------------|---------|---------|-------|
| March 31, 2017 | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 128.17 | | | 128.17 | | | | |
| Unquoted Equity Shares | | | | | | | | |
| Employee Loans | | | | | | | | |
| Security Deposits | | | | | | | | |
| Advance Given | | | | | | | | |
| Trade receivables | | | 400.10 | 400.10 | | | | |
| Cash and cash equivalents | | | 274.93 | 274.93 | | | | |
| Loans | | | | | | | | |
| Other Current Financial Assets | | | 132.86 | 132.86 | | | | |
| | 128.17 | | 807.89 | 936.07 | | | | |
| Financial liabilities | | | | | | | | |
| Non - current borrowings | | | | | | | | |
| Current borrowings | | | 5,591.11 | 5,591.11 | | | | |
| Trade and other payables | | | 0.67 | 0.67 | | | | |
| Other Current financial liabilities | | | 62.49 | 62.49 | | | | |
| | | | 5,654.27 | 5,654.27 | | | | |

| (Rs. in Laes) | | | | | | | | |
|-------------------------------------|-----------------|--------|----------------|-----------|------------|---------|---------|--------|
| April 1, 2016 | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 478.34 | | | 478.34 | | | | |
| Unquoted Equity Shares | | | | | | | | |
| Employee Loans | | | | | | | | |
| Security Deposits | | | | | | | | |
| Advance Given | | | | | | | | |
| Trade receivables | | | | | | | | |
| Cash and cash equivalents | | | 4.79 | 4.79 | | | | |
| Other bank balances | | | | | | | | |
| Loans | | | 162.84 | 162.84 | | 162.84 | | 162.84 |
| Other Current Financial Assets | | | 1,282.24 | 1,282.24 | | | | |
| | 478.34 | | 1,449.87 | 1,928.21 | | 162.84 | | 162.84 |
| Financial liabilities | | | | | | | | |
| Non - current borrowings | | | | | | | | |
| Current borrowings | | | 10,188.31 | 10,188.31 | | | | |
| Trade and other payables | | | 1.58 | 1.58 | | | | |
| Other Current financial liabilities | | | 455.18 | 455.18 | | | | |
| | | | 10,645.07 | 10,645.07 | | | | |

* The fair value in respect of the unquoted equity investments is equal to the cost of the investments as per the contractual agreements.

PRIMESEC INVESTMENTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

| Type | Valuation technique |
|----------------------------------|--|
| Fixed rates long term borrowings | The valuation model considers present value of expected payments discounted using an appropriate discounting rate. |
| Security Deposits | The valuation model considers present value of expected payments discounted using an appropriate discounting rate. |

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i). 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 Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

The Audit Committee 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. The Audit Committee is assisted in its oversight role by the internal auditors.

ii). 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 loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Further for domestic sales, the company segments the customers into Distributors and Others for credit monitoring.

The Company maintains security deposits for sales made to its distributors. For other trade receivables, the company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and loans and advances.

Impairment

At March 31, 2018, the ageing of trade receivables was as follows.

| Particulars | Carrying amount (Rs. in lacs) | | |
|-------------------------------|-------------------------------|----------------|---------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Neither past due nor impaired | | 226.10 | |
| Past due 1-90 days | 64.90 | - | - |
| Past due 91-180 days | - | - | - |
| Past due 181-365 days | - | 174.00 | - |
| Past due 366 days | - | - | - |
| | 64.90 | 400.10 | - |

Management believes that the unimpaired amounts which are past due are collectible in full.

Cash and cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of Rs. 3.13 lacs as on March 31, 2018 (March 31, 2017: Rs. 274.93 lacs and April 1, 2016: Rs. 4.79 lacs). The cash and cash equivalents are held with banks with good credit ratings.

Loans and Advances:

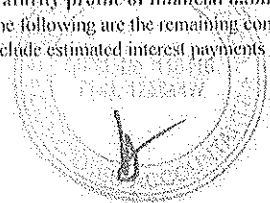
The Company held Loans and advances of Rs. 324.91 lacs as on March 31, 2018 (March 31, 2017: Rs. 132.86 lacs and April 1, 2016: Rs. 1445.08 lacs). The loans and advances are in nature of advances to subsidiaries and rent deposit paid to landlords and are fully recoverable in the opinion of the management.

iii. 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 Company'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.

Maturity profile of financial liabilities

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



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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

| March 31, 2018 | Carrying amount | Contractual cash flows | | | | | |
|-----------------------------|-----------------|------------------------|--------------------|-------------|-----------|-----------|-------------------|
| | | Total | less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Borrowings | 4,783.37 | 4,783.37 | 4,543.37 | 240.00 | - | - | - |
| Trade and other payables | 1.72 | 1.72 | 1.72 | - | - | - | - |
| Other financial liabilities | - | - | - | - | - | - | - |

(Rs. in Lacs)

| March 31, 2017 | Carrying amount | Contractual cash flows | | | | | |
|-----------------------------|-----------------|------------------------|--------------------|-------------|-----------|-----------|-------------------|
| | | Total | less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Borrowings | 5,591.11 | 5,591.11 | 5,176.11 | 415.00 | - | - | - |
| Trade and other payables | 0.67 | 0.67 | 0.67 | - | - | - | - |
| Other financial liabilities | - | - | - | - | - | - | - |

(Rs. in Lacs)

| April 1, 2016 | Carrying amount | Contractual cash flows | | | | | |
|-----------------------------|-----------------|------------------------|--------------------|-------------|-----------|-----------|-------------------|
| | | Total | less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Borrowings | 10,188.31 | 10,188.31 | 5,721.20 | 415.00 | - | 4,052.11 | - |
| Trade and other payables | 1.58 | 1.58 | 1.58 | - | - | - | - |
| Other financial liabilities | - | - | - | - | - | - | - |

The gross inflows/(outflows) disclosed in the above tables represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity.

iv) **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

v) **Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.



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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using debt to equity ratio.

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|-----------------------------------|-------------------------|-------------------------|------------------------|
| Current Borrowings | 4,783.37 | 5,591.11 | 10,188.31 |
| Gross Debt | 4,783.37 | 5,591.11 | 10,188.31 |
| Total equity | (4,263.02) | (5,126.09) | (7,654.43) |
| Adjusted Net debt to equity ratio | (1.12) | (1.09) | (1.33) |

36 Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

The Company recognised Rs. 2.24 lakhs for year ended March 31, 2018 (Rs. 0.57 lakhs for year ended March 31, 2017) provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(Rs. in Lacs)

| A) Particulars | Gratuity | | |
|--|----------------|----------------|---------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Defined benefit obligation | 13.55 | 13.27 | - |
| Fair value of Plan Assets at the end of the year | 14.67 | 0.69 | - |
| Net Obligation at the end of the year | (1.12) | 12.58 | - |

B) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

(Rs. in Lacs)

| Particulars | Gratuity | | | | | | | | |
|---|----------------------------|----------------|---------------|---------------------------|----------------|---------------|---------------------------------------|----------------|---------------|
| | Defined benefit obligation | | | Fair value of plan assets | | | Net defined benefit (asset) liability | | |
| | March 31, 2018 | March 31, 2017 | April 1, 2016 | March 31, 2018 | March 31, 2017 | April 1, 2016 | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Opening balance | 13.27 | 11.69 | - | 0.69 | 13.88 | - | 12.58 | (2.18) | - |
| Included in profit or loss: | | | | | | | | | |
| Current service cost | 0.74 | 0.69 | - | - | - | - | 0.74 | 0.69 | - |
| Past service cost | - | - | - | - | - | - | - | - | - |
| Interest cost (income) | 0.97 | 0.94 | - | 0.05 | 1.12 | - | 0.92 | (0.17) | - |
| | 14.98 | 13.32 | - | 0.74 | 14.99 | - | 14.24 | (1.67) | - |
| Included in OCI: | | | | | | | | | |
| Remeasurement loss / (gain): | | | | | | | | | |
| Actuarial loss / (gain) arising from: | 1.44 | 0.05 | - | (0.16) | 15.00 | - | 1.60 | (14.95) | - |
| Demographic assumptions | | | | | | | | | |
| Financial assumptions | | | | | | | | | |
| Experience adjustment | | | | | | | | | |
| Return on plan assets excluding interest income | | | | | | | | | |
| | 13.54 | 13.27 | - | 0.91 | (0.01) | - | 12.64 | 13.29 | - |
| Other: | | | | | | | | | |
| Contributions paid by the employer | - | - | - | 13.76 | 0.70 | - | (13.76) | (0.70) | - |
| Benefits paid | | | | | | | | | |
| Closing balance | 13.54 | 13.27 | - | 14.67 | 0.69 | - | (1.12) | 12.59 | - |
| Represented by: | | | | | | | | | |
| Net defined benefit asset | | | | | | | (14.67) | (0.69) | - |
| Net defined benefit liability | | | | | | | 13.54 | 13.27 | - |
| | | | | | | | (1.12) | 12.58 | - |

PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C. Plan assets

Plan assets comprise the following:

| Particulars | March 31, 2018 | March 31, 2017 | April 1, 2016 |
|-----------------------------------|----------------|----------------|---------------|
| Fund managed by Insurance Company | 14.67 | 0.69 | - |
| | 14.67 | 0.69 | - |

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
|--|----------------------|----------------------|----------------------|
| Discount rate | 7.78% | 7.32% | 0.00% |
| Expected Rate of Return on Plan Assets | 7.78% | 7.32% | 0.00% |
| Salary escalation rate | 5% | 5% | 0% |
| Employee Turnover | 2% | 2% | 0% |
| Mortality rate | N.A. | N.A. | N.A. |
| | Indian Assured Lives | Indian Assured Lives | Indian Assured Lives |
| | Mortality (2006-08) | Mortality (2006-08) | Mortality (2006-08) |
| | UR. | UR. | UR. |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| Particulars | March 31, 2018 | | March 31, 2017 | |
|---|----------------|----------|----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (1.36) | 1.57 | (1.41) | 1.64 |
| Future salary growth (1% movement) | 1.60 | (1.41) | 1.66 | (1.46) |
| Rate of employee turnover (1% movement) | 0.35 | (0.38) | 0.31 | (0.34) |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2018 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2018, i.e. Rs. 13.76 lakhs

| Expected future benefit payments | (Rs. in Laacs) |
|----------------------------------|----------------|
| March 31, 2019 | 0.42 |
| March 31, 2020 | 0.44 |
| March 31, 2021 | 0.46 |
| March 31, 2022 | 0.48 |
| March 31, 2023 | 0.50 |
| Thereafter | 32.74 |

Compensated Absences:

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated Absences debited to Statement of Profit and Loss during the year amounts to Rs. 0.77 lacs (March 31, 2017 Rs.8.21 lacs) and is included in Note 24 - 'Other Comprehensive Income'. Accumulated non-current provision for leave encashment aggregates Rs.7.79 lacs (March 31, 2017 Rs. 7.45 lacs and April 1, 2016 Rs. NIL) and current provision aggregates Rs. 0.84 lacs (March 31, 2017 Rs. NIL and April 1, 2016 Rs. NIL).

37. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

a) Profit attributable to Equity holders of Company

(Rs. in Laacs)

| Particulars | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Continuing operations | 863.72 | 2,120.57 |
| Profit attributable to equity holders of the Company for basic earnings | 863.72 | 2,120.57 |
| Profit attributable to equity holders of the Company adjusted for the effect of dilution | 863.72 | 2,120.57 |

b) Weighted average number of ordinary shares

| Particulars | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Issued ordinary shares at April 1 | 1,636,000 | 1,636,000 |
| Effect of shares issued for cash | - | - |
| Weighted average number of shares at March 31 for basic and Diluted EPS | 1,636,000 | 1,636,000 |

c) Basic and Diluted earnings per share

| Particulars | March 31, 2018 | March 31, 2017 |
|----------------------------|----------------|----------------|
| Basic earnings per share | 52.79 | 129.62 |
| Diluted earnings per share | 52.79 | 129.62 |

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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38 First-time adoption of Ind AS

A Transition to Ind AS

For the purposes of reporting as set out in Note No. 25, the Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 25 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the "transition date").

In preparing the opening Ind AS balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

B) Exemptions and exceptions availed

1) Ind AS mandatory exceptions

1.1) Estimates

The estimates at April 1 2016 and March 31 2017 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

1) Investment in equity instruments carried at FVTPL;

1.2) Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

2) Ind AS optional exemptions

Deemed cost for investments in Associate

The Company has elected to continue with the carrying value of its investments in associate as recognised in the financial statements as at the date of transition to Ind AS.

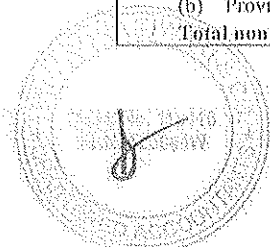
Accordingly, the Company has measured all its investments in associate at their IGAAP carrying value.

C) Reconciliation between IGAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliation from IGAAP to Ind AS

1) Reconciliation of equity as at April 1, 2016

| (Rs. in Lacs) | | | | |
|--|---------------|---------------------|---------------------------------|----------------------|
| Particulars | Footnote ref. | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per Ind AS |
| ASSETS | | | | |
| 1) Non-current assets | | | | |
| (a) Property, Plant and Equipment | | - | - | - |
| (b) Capital work-in-progress | | - | - | - |
| (c) Other Intangible assets | | - | - | - |
| (d) Financial Assets | | - | - | - |
| (i) Investments in Associates | 2 | 36.12 | (36.12) | - |
| (ii) Investments | | 856.53 | (378.19) | 478.34 |
| (e) Non-Current Advance Tax Assets (Net) | | 5.23 | - | 5.23 |
| (f) Other non-current assets | | - | - | - |
| Total non current assets | | 897.88 | (414.31) | 483.57 |
| 2) Current Assets | | | | |
| (a) Financial Assets | 2 | - | - | - |
| (i) Investments | | - | - | - |
| (ii) Trade Receivables | | - | - | - |
| (iii) Cash and Cash Equivalents | | 4.79 | - | 4.79 |
| (iv) Loans | | 1,220.04 | (1,057.20) | 162.84 |
| (v) Other Financial Assets | | 1,282.24 | - | 1,282.24 |
| (b) Other current assets | | - | 1,057.20 | 1,057.20 |
| Total current assets | | 2,507.07 | - | 2,507.07 |
| TOTAL ASSETS | | 3,404.95 | (414.31) | 2,990.64 |
| EQUITY AND LIABILITIES | | | | |
| 1) Equity | | | | |
| (a) Equity share capital | | 163.60 | - | 163.60 |
| (b) Other equity | 2 | (7,403.72) | (414.31) | (7,818.03) |
| Total Equity | | (7,240.12) | (414.31) | (7,654.43) |
| 2) Non current liabilities | | | | |
| (a) Financial liabilities | | - | - | - |
| (i) Borrowings | | - | - | - |
| (b) Provisions | | - | - | - |
| Total non current liabilities | | - | - | - |



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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | | | | |
|-------------------------------------|--|-----------------|-----------------|-----------------|
| 3) Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 10,188.31 | | 10,188.31 |
| (ii) Trade payables | | 1.58 | | 1.58 |
| (iii) Other financial liabilities | | - | | - |
| (b) Other current liabilities | | 455.18 | | 455.18 |
| (c) Provisions | | - | | - |
| Total Current liabilities | | 10,645.07 | - | 10,645.07 |
| Total liabilities | | 10,645.07 | - | 10,645.07 |
| TOTAL EQUITY AND LIABILITIES | | 3,404.95 | (414.31) | 2,990.64 |

II) Reconciliation of equity as at March 31, 2017

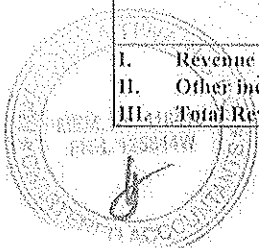
(Rs. in Laes)

| Particulars | Footnote ref. | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per Ind AS |
|--|---------------|---------------------|---------------------------------|----------------------|
| ASSETS | | | | |
| 1) Non-current assets | | | | |
| (a) Property, Plant and Equipment | | - | | - |
| (b) Capital work-in-progress | | - | | - |
| (c) Other Intangible assets | | - | | - |
| (d) Financial Assets | | | | |
| (i) Investments in Associates | 2 | 36.12 | (36.12) | - |
| (ii) Investments | | 135.12 | (6.95) | 128.17 |
| (iii) Loans | | - | | - |
| (iv) Others | | - | | - |
| (e) Non-Current Advance Tax Assets (Net) | | - | | - |
| (f) Other non-current assets | | - | | - |
| Total non current assets | | 171.24 | (43.07) | 128.17 |
| 2) Current Assets | | | | |
| (a) Financial Assets | | | | |
| (i) Investments | | - | | - |
| (ii) Trade Receivables | | 400.10 | | 400.10 |
| (iii) Cash and Cash Equivalents | | 274.93 | | 274.93 |
| (iv) Bank Balances other than (ii) above | | - | | - |
| (v) Loans | | - | | - |
| (vi) Other Financial Assets | | 132.86 | | 132.86 |
| (b) Other current assets | | 100.49 | | 100.49 |
| Total current assets | | 908.38 | - | 908.38 |
| TOTAL ASSETS | | 1,079.62 | (43.07) | 1,036.55 |
| EQUITY AND LIABILITIES | | | | |
| 1) Equity | | | | |
| (a) Equity share capital | | 163.60 | | 163.60 |
| (b) Other equity | 2 | (5,246.62) | (43.07) | (5,289.69) |
| Total Equity | | (5,083.02) | (43.07) | (5,126.09) |
| 2) Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | - | | - |
| (ii) Other financial liabilities | | - | | - |
| (b) Provisions | | 508.36 | (500.91) | 7.45 |
| Total non current liabilities | | 508.36 | (500.91) | 7.45 |
| 3) Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 5,591.11 | | 5,591.11 |
| (ii) Trade payables | | 0.67 | | 0.67 |
| (iii) Other financial liabilities | | - | | - |
| (b) Other current liabilities | | 62.50 | (0.01) | 62.49 |
| (c) Provisions | | - | 0.77 | 0.77 |
| (d) Current Tax Liabilities (net) | | - | 500.15 | 500.15 |
| Total Current liabilities | | 5,654.28 | 500.91 | 6,155.19 |
| Total liabilities | | 6,162.64 | (0.00) | 6,162.64 |
| TOTAL EQUITY AND LIABILITIES | | 1,079.62 | (43.07) | 1,036.55 |

III) Reconciliation of equity as at March 31, 2017

(Rs. in Laes)

| Particulars | Footnote ref. | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per Ind AS |
|------------------------------------|---------------|---------------------|---------------------------------|----------------------|
| I. Revenue from Operations (Gross) | | 1,232.50 | | 1,232.50 |
| II. Other income | | 29.17 | | 29.17 |
| III. Total Revenue (I+II) | | 1,261.67 | | 1,261.67 |



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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | | | | |
|---|----|-----------------|----------------|-----------------|
| IV. Expenses | | | | |
| Employee Benefits Expenses | 1 | 28.16 | (8.21) | 19.95 |
| Finance costs | | - | - | - |
| Depreciation and Amortization Expenses | | - | - | - |
| Other Expenses | 2 | 13.63 | 43.07 | 56.70 |
| Total Expenses | | 41.79 | 34.86 | 76.65 |
| V. Profit/(loss) before Exceptional Items and taxes | | 1,219.88 | (34.86) | 1,185.02 |
| VI. Exceptional Items | | 1,523.22 | - | 1,523.22 |
| VII. Profit/(loss) before Tax | | 2,743.10 | (34.86) | 2,708.24 |
| VIII. Tax expense: | | | | |
| 1. Current Tax | | 586.00 | 1.67 | 587.67 |
| 2. Deferred Tax | | - | - | - |
| 3. Tax for Earlier years | | - | - | - |
| IX. Profit/(Loss) for the period from continuing operations | | 2,157.10 | (36.53) | 2,120.57 |
| X. Profit/(Loss) for the period | | 2,157.10 | (36.53) | 2,120.57 |
| XI. Other comprehensive income | | | | |
| A (i) Items that will not be reclassified to profit or loss | | | | |
| Remeasurements of defined benefit liability (asset) | 1. | - | (8.21) | (8.21) |
| Income tax effect on above | | - | 1.67 | 1.67 |
| B (i) Items that will be reclassified to profit or loss | | | | |
| Effective portion of (Loss)/Gain on hedging instrument in a cash flow hedge | | - | (9.88) | (9.88) |
| Other comprehensive income (net of tax) | | - | - | - |
| XV. Total comprehensive income for the period | | 2,157.10 | (46.41) | 2,110.69 |

1) **Actuarial gain and loss**

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under IGAAP the Company recognised actuarial gains and losses in profit and loss. However this has no impact on the total comprehensive income and total equity as on April 1, 2016 or as on March 31, 2017. The Employee Benefit Expenses and Other Comprehensive Income were reduced by Rs. 9.88 Lakhs each.

2) **Fair Valuation of Investments**

Under IGAAP, Non-Current Investments (including Investments in Subsidiaries) were carried at cost less provision, if any, for diminution which is considered other than temporary in nature. Current Investments were valued at lower of cost and fair value. Under Ind AS, these Investment are measured at fair value. The resulting fair value of changes of these investments have been recognised in the retained earnings as at the day of transition and subsequently in the profit or loss for the year ended March 31, 2017

IV) **Adjustments to Statement of Cash Flows**

There were no material differences between the statement of Cash Flows presented under Ind AS and IGAAP



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