



# ARUN BEDEKAR & CO.

CHARTERED ACCOUNTANTS

372/28, Charkop Nutan CHS Ltd., Between Nag Mandir Lane & Sai Baba Mandir Lane, Sector - 3,  
Charkop, Kandivali (West), Mumbai - 400 067 • Mob.: 9819810687 • E-mail: arunbedekarca@gmail.com

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

TO THE MEMBERS OF

PRIME COMMODITIES BROKING (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **PRIME COMMODITIES BROKING (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss for the period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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



are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 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 any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- 12 In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 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 details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 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.

For Arun Bedekar & Co  
Chartered Accountants  
(Firm Reg. No. 123640W)



*A V Bedekar*  
ARUN V BEDEKAR  
(Membership No. 114123)

Place: Mumbai  
Date: April 6, 2017

# PRIME COMMODITIES BROKING (INDIA) LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	As at 31-Mar-17 (Rs. in Lacs)		As at 31-Mar-16 (Rs. in Lacs)	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds:</b>					
Share Capital	1	50.00		50.00	
Reserves & Surplus	2	21.87	71.87	8.80	58.80
<b>Non-current Liabilities</b>					
Long-term Provisions	3		3.15		
<b>Current Liabilities</b>					
Short term Borrowings	4	365.55		342.69	
Trade Payables	5	0.25		0.14	
Other Current Liabilities	6	-		2.45	
			<b>365.80</b>		<b>345.27</b>
<b>Total</b>			<b>440.82</b>		<b>404.08</b>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Long Term Loans and Advances	7				1.66
<b>Current Assets</b>					
Cash & Bank Balances	8	435.55		397.04	
Short-term loans and advances	9	5.27	440.82	5.38	402.42
			<b>440.82</b>		<b>404.08</b>
Notes on Accounts	1 to 19				

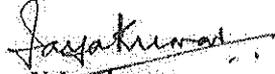
As per our Report attached  
For and on behalf of  
**Arun Bedekar & Co.**  
Chartered Accountants  
(Firm Reg. No.123640W)

  
**Arun V Bedekar**  
Proprietor  
M. No. 114123



Mumbai, April 05, 2017

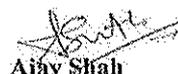
For and on behalf of the Board

  
**N. Jayakumar**

Director

  
**Vinay Motwani**

Director

  
**Ajay Shah**

Director

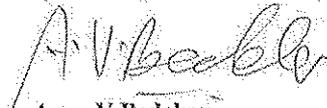
Mumbai, April 05, 2017

# PRIME COMMODITIES BROKING (INDIA) LIMITED

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

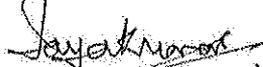
	Note No.	Year ended 31-Mar-17 (Rs. in Lacs)	Year ended 31-Mar-16 (Rs. in Lacs)
I OTHER INCOME	10	27.57	28.71
II TOTAL INCOME		27.57	28.71
III EXPENSES			
Finance Cost	11	8.18	24.46
Other Expenses	12	0.44	0.45
IV TOTAL EXPENSES		8.62	24.90
V PROFIT BEFORE TAX		18.95	3.81
VI Tax Expenses			
- Current Tax		5.88	0.42
- Short/ (Excess) Provision of Tax			
VI PROFIT AFTER TAX		13.07	3.39
Earnings per Share - Basic and Diluted		2.61	0.68
Notes on Accounts	1 to 19		

As per our Report attached  
For and on behalf of  
**Arun Bedekar & Co.**  
Chartered Accountants  
(Firm Reg. No.123640W)

  
**Arun V Bedekar**  
Proprietor  
M. No. 114123  
Mumbai, April 05, 2017



For and on behalf of the Board

  
**N Jayakumar**

Director

  
**Vinay Motwani**

Director

  
**Ajay Shah**

Director

Mumbai, April 05, 2017

# PRIME COMMODITIES BROKING (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2017

	INFLOWS/(OUTFLOWS)	
	Year ended 31-Mar-17 (Rs. in Lacs)	Year ended 31-Mar-16 (Rs. in Lacs)
<b>A Cash flow from Operating Activities</b>		
Net Profit / (Loss) before Tax	18.95	3.81
Adjustments for:		
Interest Income	(27.57)	(28.71)
Operating Profit / (Loss) before Working Capital changes	(8.62)	(24.90)
Adjustments for Changes in the Working Capital:		
Loans, Advances & Other Current Assets	0.11	(0.61)
Current Liabilities & Provisions	(2.34)	0.39
	(2.23)	(0.22)
Cash generated from operations	(10.86)	(25.13)
Direct Taxes Paid (Net)	(1.07)	(1.47)
<b>Net Cash from Operating Activities (A)</b>	<b>(11.93)</b>	<b>(26.60)</b>
<b>B Cashflow from Investment Activities</b>		
Interest Received	27.57	28.71
<b>Net Cash from Investment Activities (B)</b>	<b>27.57</b>	<b>28.71</b>
<b>C Cashflow from Financing Activities</b>		
Funds Borrowed / (Repaid) (Net)	22.87	104.21
<b>Net Cash from Financing Activities (C)</b>	<b>22.87</b>	<b>104.21</b>
<b>Net Cashflow (A + B + C)</b>	<b>38.51</b>	<b>106.32</b>
<b>Changes in the Cash &amp; Bank Balance</b>	<b>38.51</b>	<b>106.32</b>
Cash and Cash Equivalents at the beginning of the year	397.04	290.72
Cash and Cash Equivalents at the end of the year	435.55	397.04

As per our Report attached  
For and on behalf of  
**Arun Bedekar & Co.**  
Chartered Accountants  
(Firm Reg. No. 123640W)

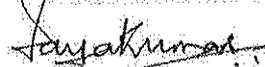
  
**Arun V Bedekar**  
Proprietor

M. No. 114123

Mumbai, April 05, 2017



For and on behalf of the Board

  
**N Jayakumar**

Director

  
**Vinay Motwani**

Director

  
**Ajay Shah**

Director

Mumbai, April 05, 2017

# PRIME COMMODITIES BROKING (INDIA) LIMITED

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

NOTE 1 - SHARE CAPITAL	As at 31-Mar-17 (Rs. in Lacs)	As at 31-Mar-16 (Rs. in Lacs)
<b>AUTHORISED</b>		
20,00,000 Equity Shares of Rs. 10/- each	200.00	200.00
Total	200.00	200.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
5,00,000 Equity Shares of Rs. 10/- each	50.00	50.00
Total	50.00	50.00

a) Details of equity shareholders holding more than 5% of equity shares:

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	%	No. of Shares	%	No. of Shares
Prime Securities Limited - Holding Company (Alongwith nominees holding 6 shares)	100.00	500,000	100.00	500,000

NOTE 2 - RESERVES AND SURPLUS	As at 31-Mar-17 (Rs. in Lacs)	As at 31-Mar-16 (Rs. in Lacs)
<b>Surplus</b>		
Balance at the beginning of the year	8.80	5.41
Add: Net Profit / (Loss) for the year	13.07	3.39
Amount available for appropriations	21.87	8.80
Total	21.87	8.80

NOTE 3 - LONG-TERM PROVISIONS	As at 31-Mar-17 (Rs. in Lacs)	As at 31-Mar-16 (Rs. in Lacs)
Provision for Taxation (Net of Taxes paid)	3.15	-
Total	3.15	-

NOTE 4 - SHORT TERM BORROWINGS	As at 31-Mar-17 (Rs. in Lacs)	As at 31-Mar-16 (Rs. in Lacs)
Loan and Advances from Related Parties		
Unsecured		
- From Holding Company	115.55	342.69
Loan and Advances from Others		
Unsecured		
Intercorporate Deposits	250.00	-
Total	365.55	342.69

NOTE 5 - TRADE PAYABLES	As at 31-Mar-17 (Rs. in Lacs)	As at 31-Mar-16 (Rs. in Lacs)
Trade Payable	0.25	0.14
Total	0.25	0.14

NOTE 6 - OTHER CURRENT LIABILITIES (UNSECURED, CONSIDERED GOOD)	As at 31-Mar-17 (Rs. in Lacs)	As at 31-Mar-16 (Rs. in Lacs)
Other Payables		
Statutory Dues	-	2.45
Total	-	2.45



**PRIME COMMODITIES BROKING (INDIA) LIMITED**

<b>NOTE 7 - LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>	<b>As at 31-Mar-17 (Rs. in Lacs)</b>	<b>As at 31-Mar-16 (Rs. in Lacs)</b>
Other Loans and Advances		
Advance Income Tax (Net of Provisions)	-	1.66
<b>Total</b>	-	1.66

<b>NOTE 8 - CASH AND BANK BALANCES</b>	<b>As at 31-Mar-17 (Rs. in Lacs)</b>	<b>As at 31-Mar-16 (Rs. in Lacs)</b>
Cash and Cash Equivalents		
Balances with Bank		
- In Current Accounts	0.09	0.41
Cash on Hand	0.10	0.16
Other Bank Balances		
- In Deposit Accounts	435.35	396.46
<b>Total</b>	435.55	397.04

<b>NOTE 9 - SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>	<b>As at 31-Mar-17 (Rs. in Lacs)</b>	<b>As at 31-Mar-16 (Rs. in Lacs)</b>
Others		
Interest Receivable	5.27	5.38
<b>Total</b>	5.27	5.38

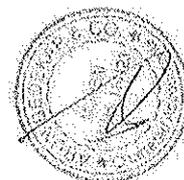
<b>NOTE 10 - OTHER INCOME</b>	<b>Year ended 31-Mar-17 (Rs. in Lacs)</b>	<b>Year ended 31-Mar-16 (Rs. in Lacs)</b>
Interest Income	27.57	28.71
<b>Total</b>	27.57	28.71

<b>NOTE 11 - FINANCE COST</b>	<b>Year ended 31-Mar-17 (Rs. in Lacs)</b>	<b>Year ended 31-Mar-16 (Rs. in Lacs)</b>
Interest Expense	8.18	24.46
<b>Total</b>	8.18	24.46

<b>NOTE 12 - OTHER EXPENSES</b>	<b>Year ended 31-Mar-17 (Rs. in Lacs)</b>	<b>Year ended 31-Mar-16 (Rs. in Lacs)</b>
Consultancy & Professional Charges	0.12	0.26
Filing Fees	0.08	0.05
Auditor's Remuneration		
- For Audit Fees	0.23	0.14
Miscellaneous Expenses	0.01	-
<b>Total</b>	0.44	0.45

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**NOTES FORMING PARTS OF ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2017**

**13. Significant Accounting Policies**

**a) Basis of Presentation of Financial Statements**

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

**b) Revenue Recognition**

Interest received is accounted on accrual basis.

**c) Taxation**

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

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

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

**d) Earning per Share**

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

**e) Miscellaneous Expenditure**

Preliminary Expenses are amortised over a period of five years.

**f) Provisions & Contingencies**

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

14. The entire Share Capital of the Company is held by Prime Securities Limited, Holding Company, along with its nominees.

**15. Disclosure of Specified Bank Notes (SBN)**

(Rs. in lacs)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	0.14	0.01	0.15
(+) Permitted receipts	-	0.10	0.10
(-) Permitted payments	-	0.01	0.01
(-) Amount deposited in bank	0.14	-	0.14
Closing cash in hand as on December 30, 2016	-	0.10	0.10

**16. Related Party Disclosures**

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



**Relationships**

- (i) **Holding Company**  
- Prime Securities Limited
- (ii) **Fellow Subsidiary Company**  
- Primesec Investments Limited

b) The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. Lacs)

Nature of Transaction	Transactions during the year		Balance as on	
	Current Year	Previous Year	March 31, 2017	March 31, 2016
Inter corporate deposit Received from Prime Securities Limited				
- Sums Paid	423.50	63.80	115.55	342.69
- Sums Received	189.00	168.01	(Credit)	(Credit)
Interest paid				
- Prime Securities Limited	8.18	24.46	-	-

**17. Earnings per Share**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net Profit after Tax (Rs. Lacs)	13.09	3.39
Profit available for Equity shareholders (Rs. Lacs)	13.09	3.39
Number of Equity Shares of Rs. 10/- each	500,000	500,000
<b>Basic and Diluted Earnings per Share (Rs.)</b>	<b>2.62</b>	<b>0.68</b>

18. As per the information available with the Company, there are no dues outstanding as on March 31, 2017 to any micro, small and medium enterprise as defined under section 7 of Micro, Small & Medium Enterprises Development Act, 2006.

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

For and on behalf of

**Arun Bedekar & Co.**

Chartered Accountants

Registration No. 123640W

*A.V. Bedekar*

**Arun V Bedekar**

Proprietor

M. No. 114123



For and on behalf of the Board

*N. Jayakumar*

**N. Jayakumar**

Director

*Vinay Motwani*

**Vinay Motwani**

Director

*Ajay Shah*

**Ajay Shah**

Director

Mumbai, April 05, 2017

Mumbai, April 05, 2017