

INDEPENDENT AUDITORS' REPORT

To,
The Members of PRIMESEC INVESTMENTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **PRIMESEC INVESTMENTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and the statement of Cash Flow for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the total comprehensive income (comprising of profit and other comprehensive income), the changes in equity and its cash flows and for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.



Material Uncertainty Relating to Going Concern

The accompanying standalone financial statements are prepared on going concern basis, notwithstanding the circumstances referred in Note 25 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.

Emphasis of Matter

Our opinion is not modified in respect of the following matters:

- a) As referred to in Note 27, the Company has not received confirmation of account from certain parties to whom advances are given whose aggregate outstanding is Rs. 234.90 Lacs. No provision for doubtful advances is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business.
- b) As referred to in Note 31, the Company has not received confirmation of account from debtors whose aggregate outstanding balance at the year-end is Rs. 517.70 Lacs. No provision for doubtful debt is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| No. | Key Audit Matter | Auditor's Response |
|-----|---|---|
| 1 | <u>Recoverability assessment of trade receivables</u> <ul style="list-style-type: none">• Trade receivables of the Company comprise of receivables for services rendered.• The recoverable amount was estimated by the management based on their specific recoverability assessment of individual debtor.• The management would make specific provision against individual balance with reference | We have performed the following procedures in relation to the recoverability of trade receivables: <ul style="list-style-type: none">• Obtained a list of outstanding receivables and tested the accuracy of aging of each party at year end;• Tested subsequent settlement of trade receivables after the balance sheet date, if any;• For those outstanding balances, letters were sent to each party seeking direct independent confirmation of balance from them. |



| | | |
|--|----------------------------|---|
| | to the recoverable amount. | We found the key estimates used by management in the recoverability assessment of trade receivables to be supportable based on the obtained evidence except in case of disclosure made In Emphasis of Matter. |
|--|----------------------------|---|

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



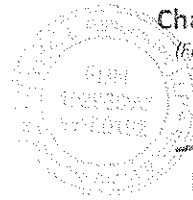
the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.
 - d) In our opinion, *except for the effects of the matters described in paragraph of the Basis for Qualified Opinion paragraph*, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For GANDHI & ASSOCIATES LLP

Chartered Accountants

(FRN:102965W/W100192)



[MILIND GANDHI]

Partner

Membership No. 043194

Mumbai,

Date: May 18, 2019

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, 2019 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. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of clause 3(iii) is not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loans and investments made.
5. The Company has not accepted any deposits within the meaning of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder 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 therefore, clause 3(vi) of the Order is not applicable to the Company.
7. a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, goods and service tax and other statutory dues applicable to it though there has been few instances of minor delays in payment of goods and service tax. Further, according to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, income tax, goods and service tax and other statutory dues



with the appropriate authorities outstanding at the end of the year for a period of more than six months from the date they became payable.

- 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 statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
8. Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of its loans and borrowings to any financial institution and banks. The Company does not have any loan or borrowing from Government or debentureholders.
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. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The Company has paid/provided for managerial remuneration in accordance with provisions of section 197 read with Schedule V of the Act.
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 financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, clause 3(xiv) of the Order is not applicable.
15. On the basis of our examination and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and therefore, clause 3(xv) of the Order is not applicable.

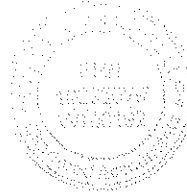


16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934 and therefore, clause 3(xvi) of the Order is not applicable.

For GANDHI & ASSOCIATES LLP

Chartered Accountants

(FRN:102965N/W100192)



[Signature]
[MILIND GANDHI]

Partner

Membership No. 043194

Mumbai,
Date: May 18, 2019

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 the Company as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 standalone Ind AS financial statements, whether due to fraud or error.

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



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; and,
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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, 2019 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 GANDHI & ASSOCIATES LLP

Chartered Accountants

(FRN:102965W/W100192)



Gandhi

[MILIND GANDHI]

Partner

Membership No. 043194

Mumbai,

Date: May 18, 2019

PRIMESEC INVESTMENTS LIMITED
STANDALONE FINANCIAL STATEMENTS
BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lacs)

| Particulars | Note No. | As at 31-Mar-19 | As at 31-Mar-18 |
|--|----------|-------------------|-------------------|
| ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Property, Plant & Equipment | 1 | 4.54 | 5.28 |
| (b) Financial Assets | | | |
| (i) Investments | 2 | 137.57 | 102.99 |
| (c) Deferred Tax Assets | | 0.61 | - |
| (d) Non-Current Tax Assets (Net) | | - | 6.71 |
| (e) Other non-current assets | 3 | 8.70 | 8.90 |
| Total Non-Current Assets | | 151.42 | 123.88 |
| 2. Current assets | | | |
| (a) Financial Assets | | | |
| (i) Trade Receivables | 4 | 1,354.50 | 64.90 |
| (ii) Cash & Cash equivalents | 5 | 53.42 | 3.13 |
| (iii) Loans | 6 | 100.00 | 200.00 |
| (iv) Other Financial Assets | 7 | 124.91 | 124.91 |
| (b) Other Current Assets | 8 | 27.56 | 80.22 |
| Total Current Assets | | 1,660.39 | 473.16 |
| Total Assets | | 1,811.81 | 597.04 |
| EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity Share capital | 9 | 163.60 | 163.60 |
| (b) Other Equity | 10 | (3,090.80) | (4,426.62) |
| Total Equity | | (2,927.20) | (4,263.02) |
| 2. Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| Provisions | 11 | 1.88 | 7.79 |
| Total Non-Current Liabilities | | 1.88 | 7.79 |
| 3. Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 12 | 4,373.97 | 4,783.37 |
| (ii) Trade Payables | | - | - |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 13 | 15.36 | 1.72 |
| (b) Other current liabilities | 14 | 202.17 | 66.34 |
| (c) Provisions | 15 | 0.20 | 0.84 |
| (d) Current tax liabilities (Net) | | 145.43 | - |
| Total Current Liabilities | | 4,737.13 | 4,852.27 |
| Total Equity and Liabilities | | 1,811.81 | 597.04 |

Significant accounting policies Note No. 24

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

As per our Report attached
For and on behalf of
GANDHI & ASSOCIATES LLP
Chartered Accountants
(FRN: 102965W/W/100192)

Milind Gandhi
Milind Gandhi
Partner

Membership No. 043194

Mumbai, May 18, 2019

For and on behalf of the Board

S. R. Sharma
S. R. Sharma
Managing Director

Pradip Dubhashi
Pradip Dubhashi
Chairman

N. Jayakumar
N. Jayakumar
Director

Mumbai, May 18, 2019

PRIMESEC INVESTMENTS LIMITED
STANDALONE FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. Lacs)

| Particulars | Note No. | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|----------|----------------------|----------------------|
| I Revenue from Operations | 16 | 2,065.50 | 1,484.24 |
| II Other Income | 17 | 34.58 | 0.93 |
| III Total Income (I+II) | | 2,100.08 | 1,485.17 |
| IV Expenses | | | |
| Employee benefits expenses | 18 | 178.86 | 94.41 |
| Finance cost | 19 | 0.41 | 0.09 |
| Depreciation and amortization expenses | 1 | 0.86 | 0.34 |
| Other expenses | 20 | 150.69 | 93.92 |
| Total Expenses | | 330.82 | 188.76 |
| V Profit / (loss) before exceptional items and tax (III - IV) | | 1,769.26 | 1,296.41 |
| VI Exceptional Items | 21 | (60.97) | (197.69) |
| VII Profit / (loss) before tax (V + VI) | | 1,708.29 | 1,098.72 |
| VIII Tax expense; | | | |
| Current tax | 22 | 366.74 | 235.00 |
| Deferred tax | | (0.61) | - |
| IX Profit / (loss) for the year (VII - VIII) | | 1,342.16 | 863.72 |
| X Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit liability | 23 | (8.08) | (0.82) |
| Income tax effect on above | | 1.74 | 0.17 |
| XI Total Comprehensive Income for the period (IX + X) (Comprising Profit / (Loss) and other comprehensive income for the period) | | 1,335.82 | 863.07 |
| XII Earnings per equity share | | | |
| Basic | | 82.04 | 52.79 |
| Diluted | | 82.04 | 52.79 |

Significant accounting policies Note No. 24

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

As per our Report attached

For and on behalf of

GANDHI & ASSOCIATES LLP

Chartered Accountants

(FRN: 102965W/W/100192)



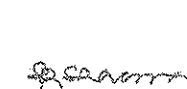
Milind Gandhi

Partner

Membership No. 043194

Mumbai, May 18, 2019

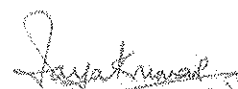
For and on behalf of the Board



S. R. Sharma
Managing Director



Pradip Dubhashi
Chairman



N. Jayakumar
Director

Mumbai, May 18, 2019

PRIMESEC INVESTMENTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

| | INFLOWS/OUTFLOWS | |
|--|--|--|
| | Year ended 31-03-2019 (Rs. Lacs) | Year ended 31-03-2018 (Rs. Lacs) |
| A. Cash flow from Operating Activities | | |
| Net Profit before tax from continuing operations | 1,700.21 | 1,097.90 |
| Adjustments for: | | |
| Interest & Finance Charges | 0.41 | 0.09 |
| Depreciation | 0.86 | 0.34 |
| (Gain)/Loss on Sale of Investments (Net) | - | (0.93) |
| Sundry Balances Written off | 60.97 | 197.69 |
| (Appreciation) / Diminution in value of Investments | (34.58) | 23.93 |
| | 27.66 | 221.12 |
| Operating Profit / (Loss) before Working Capital changes | 1,727.87 | 1,319.02 |
| Adjustments for Changes in the Working Capital | | |
| Debtors | (1,289.60) | 335.20 |
| Current Assets | (8.11) | 11.37 |
| Loans & Advances | 190.00 | (389.73) |
| Current Liabilities & Provisions | 142.91 | 5.31 |
| | (1,054.80) | (37.85) |
| Cash generated from operations | 673.07 | 1,281.17 |
| Direct Taxes Paid (Net) / Refund (net) | (212.85) | (741.70) |
| Net Cash from Operating Activities (A) | 460.22 | 539.47 |
| B. Cashflow from Investment Activities | | |
| Purchase of Fixed Assets | (0.12) | (5.62) |
| Sale of Investments | - | 2.18 |
| Net Cash from Investment Activities (B) | (0.12) | (3.44) |
| C. Cashflow from Financing Activities | | |
| Interest & Finance Charges | (0.41) | (0.09) |
| Funds Borrowed / (Repaid) (Net) | (409.40) | (807.74) |
| Net Cash from Financing Activities (C) | (409.81) | (807.83) |
| Net Cashflow (A + B + C) | 50.29 | (271.80) |
| Changes in the Cash & Bank Balance | 50.29 | (271.80) |
| Cash and Cash Equivalents at the beginning of the year | 3.13 | (274.93) |
| Cash and Cash Equivalents at the end of the year | 53.42 | 3.13 |

Notes to the cash flow statement

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

As per our Report attached
For and on behalf of
GANDHI & ASSOCIATES LLP
Chartered Accountants
(FRN: 102963W/W/106192)

Milind Gandhi
Partner
Membership No. 043194

Mumbai, May 18, 2019

For and on behalf of the Board

S. R. Sharma
Managing Director

Pradip Dubhashi
Chairman

N. Jayakumar
Director

Mumbai, May 18, 2019

PRIMESEC INVESTMENTS LIMITED
Statement of Changes in Equity (SOCIET) for the Year ended March 31, 2019

| (a) Equity Share Capital | (Rs. in Laacs) | | |
|--|------------------------|------------------------|--------|
| | As at 31st March, 2019 | As at 31st March, 2018 | |
| Particulars | No. of Shares | No. of Shares | Amount |
| Balance at the beginning of the reporting period | 16,36,000 | 16,36,000 | 16.36 |
| changes in equity share capital during the year | - | - | - |
| Balance at the end of the reporting period | 16,36,000 | 16,36,000 | 16.36 |

| (b) Other Equity | (Rs. Laacs) | | | | | | |
|---|----------------------|----------------------------|----------------------------|-----------------|-------------------------------------|---|------------|
| | Reserves and Surplus | | | | Items of Other Comprehensive Income | Total | |
| Particulars | Capital Reserve | Capital Redemption Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Remeasurements of the net defined benefit plans | |
| Balance at March 31, 2018 | - | - | 634.40 | - | (5,053.83) | (7.19) | (4,426.62) |
| Profit for the year | - | - | - | - | 1,342.16 | (6.34) | 1,342.16 |
| Actuarial gain / (loss) on defined benefits plan net of tax | - | - | - | - | - | (6.34) | (6.34) |
| Other comprehensive income for the year | - | - | - | - | - | (6.34) | (6.34) |
| Total comprehensive income for the year | - | - | - | - | - | (6.34) | (6.34) |
| Balance at March 31, 2019 | - | - | 634.40 | - | (3,711.67) | (13.53) | (3,090.80) |

As per our Report attached
For and on behalf of
GANDHI & ASSOCIATES LLP
Chartered Accountants
(FRN: 102965W/P100192)



Gandhi
Milind Gandhi
Partner
Membership No. 043194

For and on behalf of the Board

S. R. Sharma
S. R. Sharma
Managing Director

Pradip Dubhashi
Pradip Dubhashi
Chairman

N. Jayakumar
N. Jayakumar
Director

Mumbai, May 18, 2019

PRIMESEC INVESTMENTS LIMITED
NOTE 1 - Property, Plant and Equipment

(Rs. in Lacs)


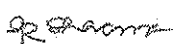


| Particulars | Computer | Furniture & Fixtures | Office Equipments | Total |
|-------------------------------|----------|----------------------|-------------------|-------|
| Gross Block | | | | - |
| Balance as at 1st April 2017 | | | | - |
| Additions | 0.32 | 3.02 | 2.28 | 5.62 |
| Adjustments | | | | - |
| Disposals | | | | - |
| Balance as at 31st March 2018 | 0.32 | 3.02 | 2.28 | 5.62 |
| Balance as at 1st April 2018 | 0.32 | 3.02 | 2.28 | 5.62 |
| Additions | - | - | 0.12 | 0.12 |
| Adjustments | - | - | - | - |
| Disposals | - | - | - | - |
| Balance as at 31st March 2019 | 0.32 | 3.02 | 2.40 | 5.74 |
| Depreciation: | | | | - |
| Balance as at 1st April 2017 | | | | - |
| Additions | 0.07 | 0.09 | 0.19 | 0.34 |
| Adjustments | - | - | - | - |
| Disposals | - | - | - | - |
| Balance as at 31st March 2018 | 0.07 | 0.09 | 0.19 | 0.34 |
| Balance as at 1st April 2018 | 0.07 | 0.09 | 0.19 | 0.34 |
| Additions | 0.08 | 0.30 | 0.48 | 0.86 |
| Adjustments | - | - | - | - |
| Disposals | - | - | - | - |
| Balance as at 31st March 2019 | 0.14 | 0.39 | 0.67 | 1.20 |
| Net Block: | | | | - |
| As at 31st March, 2018 | 0.25 | 2.93 | 2.10 | 5.28 |
| As at 31st March, 2019 | 0.17 | 2.63 | 1.74 | 4.54 |

[Handwritten signatures and initials]

PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Laacs)


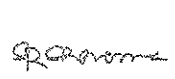


| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| 2 Investment in Equity instruments (Non Trade) | | |
| Investment in Associates | | |
| (At Amortised Cost less Impairment) | | |
| Unquoted, Fully Paid-up | | |
| (i) Nil (March 31, 2018 Nil) equity shares of Rs. 10/- each of Primary Cuisine Private Limited (Class A Shares) | 18.06 | 18.06 |
| (ii) Nil (March 31, 2018 Nil 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 |
| | 36.12 | 36.12 |
| Less: Impairment in value of Investments. | 36.12 | 36.12 |
| Total (A) | - | - |
| In Other Companies | | |
| (At Fair Value through Profit & Loss Account) | | |
| I) Quoted, Fully Paid-up | | |
| (i) 38,500 (March 31, 2018 38,500) equity shares of Rs. 10/- each of Greycells Education Limited | 14.63 | 15.36 |
| (ii) 1,30,792 (March 31, 2018 1,30,792) equity shares of Rs. 10/- each of Solid Stone Company Limited | 122.94 | 87.63 |
| Total B (I) | 137.57 | 102.99 |
| II) Unquoted, Fully Paid-up | | |
| (i) 1,692 (March 31, 2018 1,692) equity shares of Rs. 10/- each of Anant Media Private Limited | 200.00 | 200.00 |
| Less: Impairment in value of Investments. | 200.00 | 200.00 |
| Total B (II) | - | - |
| Total B [B (I)+B (II)] | 137.57 | 102.99 |
| Total C [A + B] | 137.57 | 102.99 |
| 3 Other non-current assets | | |
| Unsecured, Considered good | | |
| Advances other than capital advances | | |
| (i) Security Deposit (Unsecured, Considered good) | 8.70 | 8.90 |
| (ii) Advance Given (Unsecured, Considered good) | - | - |
| Total | 8.70 | 8.90 |
| 4 Trade Receivables | | |
| Unsecured, Considered Good. | 1,354.50 | 64.90 |
| Total | 1,354.50 | 64.90 |
| 5 Cash and Cash Equivalents | | |
| Cash on Hand | 0.17 | 0.31 |
| Balance with Banks in Current Accounts | 53.25 | 2.82 |
| Total | 53.42 | 3.13 |
| 6 Loans | | |
| Unsecured, Considered Good | | |
| Associate Company (Unsecured, Considered Good) | - | 200.00 |
| Associate Company (Unsecured, Considered Doubtful) | - | - |
| Loan to Others | 100.00 | - |
| | 100.00 | 200.00 |
| Less: Provision for Doubtful Loans | - | - |
| Total | 100.00 | 200.00 |
| 7 Other Financial Assets | | |
| Other Receivables (Unsecured, Considered Good) | 124.91 | 124.91 |
| Other Receivables (Unsecured, Considered Doubtful) | - | - |
| | 124.91 | 124.91 |
| Less: Provision for Doubtful Loans. | - | - |
| Total | 124.91 | 124.91 |
| 8 Other Current Assets | | |
| Advances other than Capital Advances | | |
| Prepaid Expenses | 1.89 | 0.93 |
| Other Advances | 25.67 | 79.29 |
| Total | 27.56 | 80.22 |

PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|--|----------------------------|----------------------------|
| 9 Equity Share Capital | | |
| Authorised 2000000 (March 31, 2018 2000000) Equity Shares of Rs. 10/- each | 200.00 | 200.00 |
| Total | 200.00 | 200.00 |
| Issued 16,36,000 (March 31, 2018 16,36,000) Equity Shares of Rs. 10/- each | 163.60 | 163.60 |
| Total | 163.60 | 163.60 |
| Subscribed & Fully Paid-up 16,36,000 (March 31, 2018 16,36,000) Equity Shares of Rs. 10/- each (includes 1,93,000 (March 31, 2018 1,93,000) Equity Shares of Rs. 10/- each issued pursuant to a contract without payment being received in cash). (Refer Note 28) | 163.60 | 163.60 |
| Total | 163.60 | 163.60 |
| 10 Other Equity | | |
| (a) Securities Premium Reserve | | |
| At the commencement of the year | 634.40 | 634.40 |
| Add: Received during the year | - | - |
| Total | 634.40 | 634.40 |
| (b) Surplus | | |
| At the commencement of the year.... | (5,053.83) | (5,917.55) |
| Add: Adjustment due to Restatement on fair value of Investments | 1,342.16 | 863.72 |
| Add: Net Profit / (Loss) for the Year | (3,711.67) | (5,053.83) |
| Total | (3,711.67) | (5,053.83) |
| (c) Items of Other Comprehensive Income | | |
| Remeasurement of defined benefit liability | | |
| At the commencement of the year..... | (7.19) | (6.54) |
| Add : Remeasurement of defined benefit liability | (6.34) | (0.65) |
| Total | (13.53) | (7.19) |
| Total Other Equity | (3,090.80) | (4,426.62) |
| <u>Securities premium reserve</u> Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act. | | |
| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
| 11 Non-Current Provisions | | |
| Provision for Employee Benefits (Refer note no 37) | | |
| Compensated Absences | 1.88 | 7.79 |
| Total | 1.88 | 7.79 |
| 12 Borrowings - Current Liabilities | | |
| Unsecured | | |
| Loans and advances from related parties | 4,373.97 | 4,783.37 |
| Total | 4,373.97 | 4,783.37 |
| 13 Trade Payables | | |
| Trade Payables | 15.36 | 1.72 |
| Total | 15.36 | 1.72 |
| As at March 31, 2019 and March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises. | | |
| 14 Other current liabilities | | |
| (a) Revenue received in advance | - | - |
| (b) Statutory Dues Payable (includes Provident Fund, GST, Withholding Tax etc.) | 125.06 | 13.39 |
| (c) Outstanding Expenses Payable | - | - |
| (d) Other Payables | 77.11 | 52.95 |
| (e) Payable on Purchase of Investments | - | - |
| Total | 202.17 | 66.34 |
| 15 Current Provisions | | |
| Provision for Employee Benefits (Refer note no 37) | | |
| Gratuity | - | - |
| Compensated Absences. | 0.20 | 0.84 |
| Total | 0.20 | 0.84 |

PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lacs)

| Particulars | | Year ended 31-Mar-19 | Year ended 31-Mar-18 | | | | |
|---|--|---------------------------|--------------------------|------------|--------------------------|------------|--------|
| 16 | Revenue from Operations | | | | | | |
| | Restructuring Advisory Fees | 2,065.50 | 1,484.24 | | | | |
| | Total | 2,065.50 | 1,484.24 | | | | |
| Reconciliation of Revenue from operations with contract price | | | | | | | |
| Particulars | | Year ended 31-Mar-19 | | | | | |
| | Contract Price | 2,065.50 | | | | | |
| | Less : Adjustments | - | | | | | |
| | Revenue from Operations | 2,065.50 | | | | | |
| Particulars | | Year ended 31-Mar-19 | Year ended 31-Mar-18 | | | | |
| 17 | Other Income | | | | | | |
| | Net Gain / (Loss) on Sale of Investments | - | 0.93 | | | | |
| | Appreciation in Value of Investments | 34.58 | - | | | | |
| | Total | 34.58 | 0.93 | | | | |
| 18 | Employee Benefits Expense | | | | | | |
| | Salaries | 171.50 | 90.44 | | | | |
| | Contribution to Provident and Other Funds | 2.53 | 2.24 | | | | |
| | Staff Welfare Expenses | 4.83 | 1.73 | | | | |
| | Total | 178.86 | 94.41 | | | | |
| 19 | Finance Costs | | | | | | |
| | Interest Expense | 0.41 | 0.09 | | | | |
| | Total | 0.41 | 0.09 | | | | |
| 20 | Other Expenses | | | | | | |
| | Rent | 17.40 | 9.18 | | | | |
| | Repairs & Maintenance | 0.81 | 28.37 | | | | |
| | Rates & Taxes | 0.13 | 0.26 | | | | |
| | Travelling & Conveyance | 4.81 | 8.34 | | | | |
| | Consultancy & Professional Charges | 108.44 | 12.52 | | | | |
| | Director's Sitting Fees | 9.20 | 2.60 | | | | |
| | Auditor's Remuneration | | | | | | |
| | - For Audit Fees | 2.50 | 0.75 | | | | |
| | - For Other Services | - | - | | | | |
| | Diminution in Value of Investments | - | 23.93 | | | | |
| | Corporate Social Responsibility Expenses | - | 1.20 | | | | |
| | Miscellaneous Expenses | 7.40 | 6.77 | | | | |
| | Total | 150.69 | 93.92 | | | | |
| 21 | Extraordinary Items | | | | | | |
| | Sundry Balance W/Back-Off | (60.97) | (197.69) | | | | |
| | Total | (60.97) | (197.69) | | | | |
| 22 | Tax Expenses | | | | | | |
| (a) | Amounts recognised in profit & loss | | | | | | |
| | Current income tax | 365.00 | 235.00 | | | | |
| | Adjustment in respect of current income tax of previous year | - | - | | | | |
| | Deferred income tax liability / (asset), net | | | | | | |
| | Origination and reversal of temporary differences | (0.61) | - | | | | |
| | Deferred tax expense | (0.61) | - | | | | |
| | Tax expense for the year | 364.39 | 235.00 | | | | |
| | Effective tax rate for the year | 21.33% | 21.39% | | | | |
| (b) | Amounts Recognised in Other Comprehensive Income | | | | | | |
| | | Year ended March 31, 2019 | | | | | |
| | | Year ended March 31, 2018 | | | | | |
| | | Before tax | Tax (expense) benefit | Before tax | Tax (expense) benefit | Net of tax | |
| | Items that will not be Reclassified to Profit or Loss | | | | | | |
| | Remeasurement of Defined Benefit Liability | (8.08) | 1.74 | (6.34) | (0.82) | 0.17 | (0.65) |
| | | (8.08) | 1.74 | (6.34) | (0.82) | 0.17 | (0.65) |

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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 | | | |
|---|------------------------------|---------------------------------|-------------------------------|-----------------------|---------------------------|
| (c) Reconciliation of effective tax rate | | | | | |
| Profit before tax | 1,700.21 | 1,097.90 | | | |
| Applicable Tax Rate | 29.12% | 28.84% | | | |
| Computed Tax Expense | 495.10 | 316.64 | | | |
| Tax effect of: | | | | | |
| Allowances | (10.07) | - | | | |
| Expenses Disallowed | 25.96 | 57.01 | | | |
| Capital Gains Set off against brought forward losses | - | (0.27) | | | |
| Brought forward losses | (510.99) | (373.38) | | | |
| MAT under Section 115IB | 365.00 | 234.48 | | | |
| Current Tax Provision (A) | 365.00 | 234.48 | | | |
| Deferred Tax Asset on account of Property, Plant and Equipment | (0.03) | - | | | |
| Deferred Tax Asset on account of Retirement Benefit of Employees | (0.58) | - | | | |
| Deferred Tax Provision (B) | (0.61) | - | | | |
| Adjustment in respect of Current Income Tax of Previous Year | - | - | | | |
| Tax Expense recognised in Statement of Profit and Loss (A) + (B) + (C) | 364.39 | 234.48 | | | |
| The applicable Indian corporate statutory rate for the year ended March 31, 2019 and March 31, 2018 is 29.12% and 28.84% respectively. | | | | | |
| (d) Movement in Deferred Tax Balances | March 31, 2019 | | | | |
| | Net Balance April 1, 2018 | Recognised in Profit or Loss | Net Balance March 31, 2019 | Deferred Tax Asset | Deferred Tax Liability |
| Deferred Tax Asset / (Liabilities) | | | | | |
| Property, Plant and Equipment | - | (0.03) | (0.03) | (0.03) | - |
| Employee Benefits | - | (0.58) | (0.58) | (0.58) | - |
| Tax Assets / (Liabilities) | - | (0.61) | (0.61) | (0.61) | - |
| Set off Tax | - | - | - | - | - |
| Net Tax Assets / (Liabilities) | - | (0.61) | (0.61) | (0.61) | - |
| 1) The Company offsets Tax Assets and Liabilities if and only if it has a legally enforceable right to set off Current Tax Assets and Current Tax Liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to Income Taxes levied by the same Tax Authority. | | | | | |
| 2) Significant management judgment is required in determining Provision for Income Tax, Deferred Income Tax Assets and Liabilities and recoverability of Deferred Income Tax Assets. The recoverability of Deferred Income Tax Assets is based on estimates of Taxable Income in which the relevant entity operates and the period over which Deferred Income Tax Assets will | | | | | |
| 23 Other Comprehensive Income | | | | | |
| Gratuity Provision | | | (2.45) | | (0.04) |
| Leave Encashment Provision | | | (5.63) | | (0.77) |
| Total | | | (8.08) | | (0.82) |

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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

24 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) Rules 2015, and Companies (Indian Accounting Standards) Rules, 2016. The financial statements were authorised for issue by the Company's Board of Directors on May 18, 2019.

Current and Non Current Classification:

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

• **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.

• **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.

c) Property, plant and equipment:

• **Recognition and measurement:**

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment

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.

PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

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 /discarding of assets, is calculated pro rata from the date of such addition or upto the date of such sale/discarding, 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.

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.

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

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

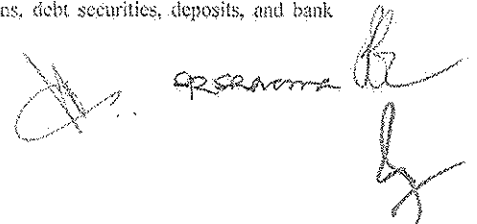
When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards 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.

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.



PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- 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

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.


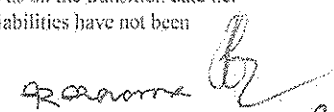

i) Borrowing Costs:

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) Revenue Recognition

The Company derives revenues primarily from advisory services.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets/liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

PRIMESEC INVESTMENTS LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company is contractually expected to receive in exchange for those services.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or,
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or,
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from services are recognised at a time on which the performance obligation is satisfied. The period over which revenue is recognised is based on entity's right to payment for performance completed. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract.

k) Recognition of Non-Operating Income:

- i) Dividend income is recognised when the right to receive is established.
- ii) Interest income is recognised on accrual basis.
- iii) 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.

l) 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.

m) 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

n) 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.

o) 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.

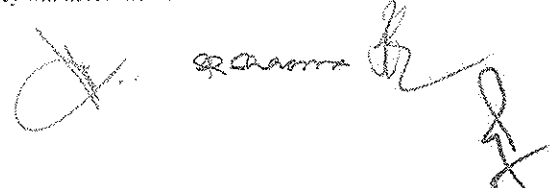
Current tax assets and liabilities are offset only if, the Company:

- 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



PRIMESEC INVESTMENTS LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- 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.

Unrecognised 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.

p) Provisions, Contingent Assets and Contingent Liabilities:

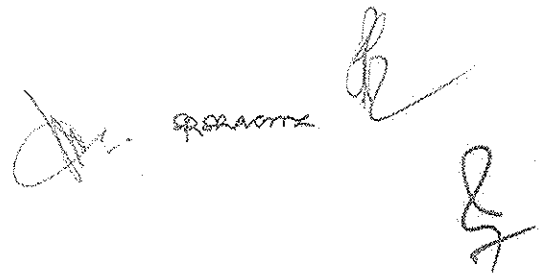
Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected 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.

q) 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.



PRIMESEC INVESTMENTS LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- 25 The Company has a negative net worth of Rs. 2,927.21 Lacs (Rs. 4,263.02 Lacs). Based on evaluation of the current situation backed by established revenue streams, the management holds the view that the Company will be able to discharge its liabilities in the normal course of business. Accordingly, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.
- 26 The Company has not received confirmation of account from two debtor whose balance outstanding at the year-end was Rs. 517.70 Lacs. No provision for doubtful debt is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business.
- 27 The Company has not received confirmation of account from certain parties to whom advances are given whose aggregate balance outstanding is Rs. 234.90 Lacs at the year-end. No provision for doubtful advances is considered necessary by the Company as in the opinion of its management the amount will be fully realized in the ordinary course of business.
- 28 Share capital

(a) Rights, preferences and restrictions attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

| Name of the Shareholder | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| Prime Securities Limited (Including Nominee Shareholders) | 16,36,000 | 100 | 16,36,000 | 100 |

(c) Reconciliation of number of equity shares outstanding as on beginning and closing of the year

| Particulars | 2018-19 | | 2017-18 | |
|------------------------------------|-----------|-------------|-----------|-------------|
| | Numbers | Rs. In Lacs | Numbers | Rs. In Lacs |
| Opening Balance | 16,36,000 | 163.60 | 16,36,000 | 163.60 |
| Add: Shares issued during the year | - | - | - | - |
| Closing Balance | 16,36,000 | 163.60 | 16,36,000 | 163.60 |

29 Borrowings:

Unsecured loans:

Loan from related parties are from holding company and an associate company in which a director is interested. These are interest free unsecured loans and repayable on demand.

30 Related Party Disclosures

Related party disclosures in respect of related parties with whom transactions have taken

Names of related parties and their relationships

Holding Company

Prime Securities Limited

Associate Company

Judith Investments Private Limited

Key Management Personnel

Mr. S.R. Sharma

Director

Mr. N. Jayakumar

Independent Directors

Mr. Pradip Dubhashi

Ms. Alpna Parida

Mr. Anil Dharner (Upto 13-11-2018)

The following transactions were carried out with the related parties in the ordinary course of business during the year 2018-2019:

(Rs. in lacs)

| Sr. No. | Nature of Transaction | Relationship | Transaction During the year | |
|---------|--|--------------------------|-----------------------------|----------------------|
| | | | Current Year | Previous Year |
| 1 | Interest free inter corporate deposit received from Prime Securities Limited Sums Received Sums paid | Holding Company | 508.00 775.25 | 1,214.80 1,849.90 |
| 2 | Loan given to / received back from Judith Investments Private Limited Loan received Loan Repaid | Associate Company | - 140.00 | - - |
| 3 | Repayment of interest free unsecured loan received from Mr N. Jayakumar Sums paid Sums Received | Director | - - | 175.00 - |
| 4 | Remuneration paid to Key Managerial Personnel | Key Management Personnel | 60.00 | 19.03 |
| 5 | Sitting Fees to Independent Directors | Independent Directors | 9.20 | 2.60 |

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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

| Outstanding Balance | | | (Rs. in lacs) | |
|---------------------|---|-------------------|---------------------|---------------------|
| Sr. No. | Nature of Transaction | Relationship | Balance as on | |
| | | | March 31, 2019 | March 31, 2018 |
| 1 | Interest free Inter corporate deposit from Prime Securities Limited | Holding Company | 4273.97 (Credit) | 4543.37 (Credit) |
| 2 | Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited | Associate Company | 100.00 (Credit) | 240.00 (Credit) |

31 Operating Lease in respect of Assets taken on Lease:

| Particulars | | (Rs. in lacs) | |
|-------------|--|---------------------------|---------------------------|
| | | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
| i) | Total of future minimum lease payments | | |
| a) | Not later than one year | 17.40 | 17.40 |
| b) | Later than one year and not later than five years | 6.77 | 25.62 |
| ii) | Lease payments recognised in the Profit and Loss account | 17.40 | 9.18 |

32 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.

33 Subsequent Events :

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

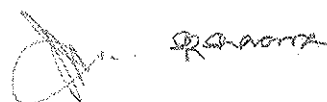


34 Corporate Social Responsibility

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 2018-19 Rs. 25.32 (Previous year 14.88 lacs).

(b) Amount spent during the year on:

| | | (Rs. in lacs) | |
|-------------|---|---------------|---------|
| Particulars | | 2018-19 | 2017-18 |
| (i) | Construction / acquisition of any asset | - | - |
| (ii) | On purpose other than (i) above | - | 1.20 |

PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

35 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 laacs)

| March 31, 2019 | Fair value thru Profit and Loss | | | | Amortised Cost | | | |
|-------------------------------------|---------------------------------|---------|---------|--------|----------------|---------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 137.57 | | | 137.57 | | | 8.70 | 8.70 |
| Security Deposits | | | | - | | | 1,354.50 | 1,354.50 |
| Trade receivables | | | | - | | | 53.42 | 53.42 |
| Cash and cash equivalents | | | | - | | | 100.00 | 100.00 |
| Loans | | | | - | | | 124.91 | 124.91 |
| Other Current Financial Assets | | | | - | | | 27.56 | 27.56 |
| Other Current Assets | 137.57 | - | - | 137.57 | - | - | 1,669.09 | 1,669.09 |
| Financial liabilities | | | | | | | | |
| Current borrowings | | | - | - | | | 4,373.97 | 4,373.97 |
| Trade and other payables | | | - | - | | | 15.36 | 15.36 |
| Other Current financial liabilities | | | - | - | | | 202.17 | 202.17 |
| | - | - | - | - | - | - | 4,591.49 | 4,591.49 |

(Rs. in laacs)

| March 31, 2018 | Fair value thru Profit and Loss | | | | Amortised Cost | | | |
|-------------------------------------|---------------------------------|---------|---------|--------|----------------|---------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 102.99 | | - | 102.99 | | | 8.90 | 8.90 |
| Security Deposits | | | - | - | | | 64.90 | 64.90 |
| Trade receivables | | | - | - | | | 3.13 | 3.13 |
| Cash and cash equivalents | | | - | - | | | 200.00 | 200.00 |
| Loans | | | - | - | | | 124.91 | 124.91 |
| Other Current Financial Assets | | | - | - | | | 80.22 | 80.22 |
| Other Current Assets | 102.99 | - | - | 102.99 | - | - | 482.06 | 482.06 |
| Financial liabilities | | | | | | | | |
| 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 |

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

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

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.

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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

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, 2019, the ageing of trade receivables was as follows.

| Particulars | Carrying amount (Rs. in lacs) | |
|-------------------------------|-------------------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Neither past due nor impaired | | |
| Past due 1-90 days | 756.00 | 64.90 |
| Past due 91-180 days | 17.70 | - |
| Past due 181-365 days | 559.40 | - |
| Past due 366 days | 21.40 | - |
| | 1,354.50 | 64.90 |

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. 53.42 lacs as on March 31, 2019 (March 31, 2018: Rs. 3.13 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. 224.91 lacs as on March 31, 2019 (March 31, 2018: Rs. 324.91). The loans and advances are in nature of advances to other parties and are fully recoverable.

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.


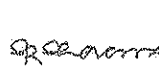


| March 31, 2019 | Carrying amount | Contractual cash flows | | | | | |
|-----------------------------|-----------------|------------------------|--------------------|-------------|-----------|-----------|-------------------|
| | | Total | less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Borrowings | 4,373.97 | 4,373.97 | 4,273.97 | 100.00 | - | - | - |
| Trade and other payables | 15.36 | 15.36 | 15.36 | - | - | - | - |
| Other financial liabilities | - | - | - | - | - | - | - |

(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)

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.

PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

36 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 | As at |
|-----------------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Current Borrowings | 4,373.97 | 4,783.37 |
| Gross Debt | 4,373.97 | 4,783.37 |
| Total equity | (2,927.20) | (4,263.02) |
| Adjusted Net debt to equity ratio | (1.49) | (1.12) |

37 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.2.53 lacs for year ended March 31, 2019 (Rs. 2.24 lacs for year ended March 31, 2018) 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, 2019. 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)

| Particulars | Gratuity | |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Defined benefit obligation | 16.78 | 13.55 |
| Fair value of Plan Assets at the end of the year | 18.18 | 14.67 |
| Net Obligation at the end of the year | (1.39) | (1.12) |

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, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Opening balance | 13.55 | 13.27 | 14.67 | 0.69 | (1.12) | 12.58 |
| Included in profit or loss | - | - | - | - | - | - |
| Current service cost | 0.71 | 0.74 | - | - | 0.71 | 0.74 |
| Past service cost | - | - | - | - | - | - |
| Interest cost (income) | 1.05 | 0.97 | 1.14 | 0.05 | (0.09) | 0.92 |
| | 15.31 | 14.98 | 15.81 | 0.74 | (0.49) | 14.24 |
| Included in OCI | | | | | | |
| Remeasurement loss / (gain): | | | | | | |
| Actuarial loss / (gain) arising from: | 1.47 | (1.44) | (0.08) | 0.16 | 1.55 | (1.60) |
| Demographic assumptions | | | | | | |
| Financial assumptions | | | | | | |
| Experience adjustment | | | | | | |
| Return on plan assets excluding interest income | | | | | | |
| | 16.78 | 13.54 | 15.73 | 0.91 | 1.06 | 12.64 |
| Other | | | | | | |
| Contributions paid by the employer | - | - | 2.45 | 13.76 | (2.45) | (13.76) |
| Benefits paid | | | | | | |
| Closing balance | 16.78 | 13.54 | 18.18 | 14.67 | (1.39) | (1.12) |
| Represented by | | | | | | |
| Net defined benefit asset | | | | | (18.18) | (14.67) |
| Net defined benefit liability | | | | | 16.78 | 13.54 |
| | | | | | (1.39) | (1.12) |

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PRIMESEC INVESTMENTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

C. Plan assets

Plan assets comprise the following:

| Particulars | March 31, 2019 | March 31, 2018 |
|-----------------------------------|----------------|----------------|
| Fund managed by Insurance Company | 18.18 | 14.67 |
| | 18.18 | 14.67 |

D. Defined benefit obligations

i. Actuarial assumptions

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

| | March 31, 2019 | March 31, 2018 |
|--|-------------------------|-------------------------|
| Discount rate | 7.76% | 7.78% |
| Expected Rate of Return on Plan Assets | 7.76% | 7.78% |
| Salary escalation rate | 5.00% | 5.00% |
| Employee Turnover | 2.00% | 2.00% |
| Mortality rate | N.A. | N.A. |
| | Indian Assured Lives | Indian Assured Lives |
| | Mortality (2006-08) | Mortality (2006-08) |
| | Ult. | Ult. |

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, 2019 | | March 31, 2018 | |
|---|----------------|----------|----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (1.62) | 1.86 | (1.36) | 1.57 |
| Future salary growth (1% movement) | 1.90 | (1.68) | 1.60 | (1.41) |
| Rate of employee turnover (1% movement) | 0.39 | (0.43) | 0.35 | (0.38) |

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, 2019 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, 2019, i.e. Rs. 2.45 lakhs

| Expected future benefit payments | (Rs. in lacs) |
|----------------------------------|---------------|
| March 31, 2020 | 0.52 |
| March 31, 2021 | 0.54 |
| March 31, 2022 | 0.57 |
| March 31, 2023 | 0.60 |
| March 31, 2024 | 0.62 |
| Thereafter | 39.01 |

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. 5.63 lacs (March 31, 2018 Rs. 0.77 lacs) and is included in Note 24 - 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates Rs. 1.88 lacs (March 31, 2018 Rs. 7.79 lacs) and current provision aggregates Rs. 0.20 (March 31, 2018 Rs. 0.84 lacs).

38 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 lacs) | |
| Particulars | March 31, 2019 | March 31, 2018 |
| Continuing operations | 1,342.16 | 863.72 |
| Profit attributable to equity holders of the Company for basic earnings | 1,342.16 | 863.72 |
| Profit attributable to equity holders of the Company adjusted for the effect of dilution | 1,342.16 | 863.72 |
| b) Weighted average number of ordinary shares | (Rs in lacs) | |
| Particulars | March 31, 2019 | March 31, 2018 |
| Issued ordinary shares at April 1 | 16,36,000 | 16,36,000 |
| Effect of shares issued for cash | - | - |
| Weighted average number of shares at March 31 for basic and Diluted EPS | 16,36,000 | 16,36,000 |
| c) Basic and Diluted earnings per share | (Rs in lacs) | |
| Particulars | March 31, 2019 | March 31, 2018 |
| Basic earnings per share | 82.04 | 52.79 |
| Diluted earnings per share | 82.04 | 52.79 |

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