

## **INDEPENDENT AUDITORS' REPORT**

To,  
The Members of PRIME SECURITIES LIMITED

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

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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



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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

#### **Basis for Qualified Opinion**

*As referred in Note 32, the Company has, in earlier financial year re-instated advance of Rs. 327.50 Lacs which was earlier written-off as not recoverable. Accordingly, the loss in Surplus (Profit & Loss) is lower and Other Non-Current Asset is higher by the said amount.*

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in paragraph of the Basis for Qualified Opinion paragraph*, the said standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



## Material Uncertainty Related to Going Concern

As referred to in Note 29 & 30, the net worth of Company's subsidiaries viz. Primesec Investments Limited and Prime Research & Advisory Limited have been eroded but having regard to the circumstances specified in the said Notes, the subsidiaries have prepared their accounts on a going concern basis. Relying on the same, the Company has not considered making any adjustments to its financial exposure in the subsidiaries. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, *except for the effects of the matters described in paragraph of the Basis for Qualified Opinion paragraph*, the aforesaid standalone Ind AS 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, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note No. 28 to the standalone Ind AS 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 during the year ended March 31, 2018;
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

**For GANDHI & ASSOCIATES LLP**

**Chartered Accountants**

(FRN: 102965W/W100192)



A handwritten signature in black ink, appearing to read "Milind Gandhi".

**[MILIND GANDHI]**

**Partner**

*Membership No. 043194*

Mumbai,  
Date: May 29, 2018

## ANNEXURE - A TO THE AUDITORS' REPORT

The annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2018 we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) As explained to us, all the fixed assets were physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, no discrepancies were noticed on such physical verification.  
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property is yet to be transferred in the name of the Company pending a legal dispute as disclosed in Note 1 to the standalone Ind AS financial statements.
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 granted unsecured loans to wholly-owned subsidiary companies covered in the register maintained under Section 189 of the Act. Considering the loans are to wholly-owned subsidiaries, in our opinion, the terms and conditions of the loans are not prejudicial to the Company's interest. The loans are repayable on demand and during the year part of loan to one subsidiary was repaid as demanded. Interest is paid by the subsidiary where applicable.
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 hence the provisions of clause 3(vi) of the Order is not applicable to the Company.
7. a) According to the information and explanations given to us and 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, service tax, goods and service tax and other statutory dues applicable to it. Further, according to the information and explanations given to us, there are no undisputed amounts payable in respect



of provident fund, income tax, service tax, 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, the particulars of statutory dues outstanding at the end of the year on account of a dispute are as follows:

Statue	Assessment Year	Nature Dues	Forum before whom pending	Rs. Lacs
Income Tax Act 1961	2006-2007	Income Tax	Assessing Officer (Rectification Proceedings)	13.18

8. Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of its loans and borrowings to any financial institution and banks. The Company does not have any loan or borrowing from Government or debenture holders.
9. The Company did not raise any amount by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly Clause 3(ix) of the Order is not applicable.
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, we have neither come across any instance of material fraud by the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.
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 Ind AS financial statements as required under Indian Accounting standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules.

14. 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.



*[Handwritten signature]*

15. On the basis of our examination and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and therefore, Clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934 and therefore Clause 3(xvi) of the Order is not applicable.

**For GANDHI & ASSOCIATES LLP**  
**Chartered Accountants**

(FRN: 102965W/W100192)

*Gandhi*

**[MILIND GANDHI]**

**Partner**

Membership No. 043194



Mumbai,  
Date: May 29, 2018

## **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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **GANDHI & ASSOCIATES LLP**

**Chartered Accountants**

(FRN: 102965W/W100192)



**[MILIND GANDHI]**

**Partner**

Membership No. 043194



Mumbai,  
Date: May 29, 2018

# PRIME SECURITIES LIMITED

## STANDALONE FINANCIAL STATEMENTS BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lacs)

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Property, Plant & Equipment	1	279.33	291.23	285.69
(b) Other Intangible assets	1	1.21	0.02	0.18
<b>(c) Financial Assets</b>				
(i) Investments in Subsidiaries	2(A)	848.00	848.00	848.00
(ii) Other Investments	2(B)	33.18	23.70	2,670.58
(d) Deferred Tax Assets		89.23	-	-
(e) Non-Current Advance tax Assets (Net)		157.44	168.59	169.73
(f) Other Non-Current Assets	3	347.43	347.43	19.93
<b>Total Non-Current Assets</b>		<b>1,755.82</b>	<b>1,678.97</b>	<b>3,994.11</b>
<b>2. Current Assets</b>				
<b>(a) Financial Assets</b>				
(i) Investments	4	28.10	36.72	29.65
(ii) Trade Receivables	5	64.73	28.78	-
(iii) Cash & Cash Equivalents	6	5.76	9.24	61.04
(iv) Loans	7	5,067.08	5,434.88	6,143.90
(v) Other Financial Assets	8	3.58	3.58	3.58
(b) Other Current Assets	9	87.61	18.39	8.32
<b>Total Current Assets</b>		<b>5,256.86</b>	<b>5,531.59</b>	<b>6,246.49</b>
<b>Total Assets</b>		<b>7,012.68</b>	<b>7,210.56</b>	<b>10,240.60</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share capital	10	1,329.94	1,329.94	1,327.85
(b) Other Equity	11	4,943.69	4,582.31	4,119.20
<b>Total Equity</b>		<b>6,273.63</b>	<b>5,912.25</b>	<b>5,447.05</b>
<b>2. Non-current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	12	7.13	209.29	400.00
(b) Provisions	13	186.20	173.79	155.54
<b>Total Non-Current Liabilities</b>		<b>193.33</b>	<b>383.08</b>	<b>555.54</b>
<b>3. Current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings.	14	250.00	620.00	3,824.95
(ii) Trade Payables	15	31.77	53.60	114.89
(iii) Other financial liabilities	16	204.17	201.97	203.34
(b) Other current liabilities	17	25.85	11.44	75.31
(c) Provisions.	18	33.93	28.22	19.52
<b>Total Current Liabilities</b>		<b>545.72</b>	<b>915.23</b>	<b>4,238.01</b>
<b>Total Equity and Liabilities</b>		<b>7,012.68</b>	<b>7,210.56</b>	<b>10,240.60</b>

Significant accounting policies Note No. 27

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/W100192)

*Milind Gandhi*

**Milind Gandhi**  
Partner  
Membership No. 043194



Mumbai, May 29, 2018

For and on behalf of the Board

*N. Jayakumar*  
**N. Jayakumar**  
Managing Director

*Anil Dharker*  
**Anil Dharker**  
Director

*S. R. Sharma*  
**S. R. Sharma**  
Director

*Pradip Dubhashi*  
**Pradip Dubhashi**  
Chairman

*Alpana Parida*  
**Alpana Parida**  
Director

*Ajay Shah*  
**Ajay Shah**  
Company Secretary

Mumbai, May 29, 2018

**PRIME SECURITIES LIMITED**  
**STANDALONE FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

Particulars	Note No.	Year ended 31-Mar-18	Year ended 31-Mar-17
I. Revenue from Operations	19	827.18	463.00
II. Other Income	20	72.24	213.60
III. <b>Total Income (I+II)</b>		<b>899.42</b>	<b>676.60</b>
IV. Expenses			
Employee Benefits Expenses	21	259.51	118.51
Finance Cost	22	0.97	0.87
Depreciation and Amortization Expenses	1	14.62	12.68
Other Expenses	23	326.27	761.95
<b>Total Expenses</b>		<b>601.37</b>	<b>894.01</b>
V. Profit / (Loss) before Exceptional Items and Tax (III -IV)		298.05	(217.41)
VI. Exceptional Items	24	27.56	(473.56)
VII. Profit / (Loss) Before Tax ( V + VI )		325.61	(690.97)
VIII. <b>Tax Expense:</b>			
Current Tax	25	67.00	-
Deferred Tax		(89.23)	-
Tax from Earlier Years		0.64	-
IX. Profit / (Loss) for the Year (VII - VIII)		347.20	(690.97)
X. Other Comprehensive Income			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of Defined Benefit Liability	26	(18.89)	(32.89)
Income Tax effect on above		3.85	-
XI. Total Comprehensive Income for the Period (IX + X) (Comprising Profit / (Loss) and other Comprehensive Income for the Period)		332.16	(723.86)
XII. Earnings per Equity Share			
Basic		1.31	(2.61)
Diluted		1.31	(2.61)

**Significant accounting policies Note No. 27**

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/W100192)

*Milind Gandhi*

**Milind Gandhi**

Partner

Membership No. 043194



Mumbai, May 29, 2018

For and on behalf of the Board

*N. Jayakumar*  
**N. Jayakumar**  
 Managing Director

*Anil Dharker*  
**Anil Dharker**  
 Director

*S. R. Sharma*  
**S. R. Sharma**  
 Director

*Pradip Dubhashi*  
**Pradip Dubhashi**  
 Chairman

*Alpana Parida*  
**Alpana Parida**  
 Director

*Ajay Shah*  
**Ajay Shah**  
 Company Secretary

Mumbai, May 29, 2018

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the Beginning of the Reporting Period				
Changes in Equity Share Capital during the Year				
<b>Balance at the End of the Reporting Period</b>	<b>26,515,325</b>	<b>1,329.94</b>	<b>26,473,525</b>	<b>1,327.85</b>
			41,800	2.09
	<b>26,515,325</b>	<b>1,329.94</b>	<b>26,515,325</b>	<b>1,329.94</b>

(Rs. in Laacs)

Particulars	Reserves and Surplus						Items of Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Share Options outstanding account	General Reserve	Retained Earnings		
Balance at April 1, 2016	165.00	217.27	5,312.64	-	2,400.00	(2,792.92)	-	5,301.99
Profit for the Year	-	-	-	-	-	(690.97)	-	(690.97)
Actuarial Gain / (Loss) on Defined Benefit Plan	-	-	-	-	-	-	(32.89)	(32.89)
Other Comprehensive Income for the Year	-	-	-	-	-	-	(32.89)	(32.89)
<b>Total comprehensive income for the year</b>							<b>(32.89)</b>	<b>(723.86)</b>
Received on Issue of Shares			4.18					4.18
<b>Balance at March 31, 2017</b>	<b>165.00</b>	<b>217.27</b>	<b>5,316.82</b>	<b>-</b>	<b>2,400.00</b>	<b>(3,483.89)</b>	<b>(32.89)</b>	<b>4,582.31</b>
Profit for the year	-	-	-	29.22	-	347.20	-	347.20
Share based payment to employees	-	-	-	-	-	-	(15.04)	29.22
Actuarial gain / (Loss) on defined benefits plan net of tax	-	-	-	-	-	-	-	(15.04)
Other comprehensive income for the year	-	-	-	-	-	-	(15.04)	(15.04)
<b>Total Comprehensive Income for the Year</b>							<b>(15.04)</b>	<b>(15.04)</b>
<b>Balance at March 31, 2018</b>	<b>165.00</b>	<b>217.27</b>	<b>5,316.82</b>	<b>29.22</b>	<b>2,400.00</b>	<b>(3,136.69)</b>	<b>(47.93)</b>	<b>4,943.69</b>

(Rs. in Laacs)

As per our Report attached  
For and on behalf of  
**GANDHI & ASSOCIATES LLP**  
Chartered Accountants  
(FRN: 102965W/W100192)



*Milind Gandhi*  
Partner

Milind Gandhi  
Partner  
Membership No. 043194  
Mumbai, May 29, 2018

For and on behalf of the Board

*N. Jayakumar*  
N. Jayakumar  
Managing Director

*Pradip Dubbashi*  
Pradip Dubbashi  
Chairman

*Anil Dharker*  
Anil Dharker  
Director

*Alpana Parida*  
Alpana Parida  
Director

*S. R. Sharma*  
S. R. Sharma  
Director

*Jay Shah*  
Jay Shah  
Company Secretary

Mumbai, May 29, 2018

**PRIME SECURITIES LIMITED**  
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2018

(Rs. in Lacs)

	INFLOWS/(OUTFLOWS)	
	Year ended 31-Mar-18	Year ended 31-Mar-17
<b>A Cash flow from Operating Activities</b>		
Net Profit / (Loss) before tax from continuing operations	306.72	(723.86)
Adjustments for :		
Interest Received	(20.63)	(16.33)
Depreciation	14.62	12.68
Interest & Finance Charges	0.97	0.87
Loss / (Gain) on Sale of Investments (Net)	(3.21)	(192.47)
Amount Written-back	(27.56)	(973.16)
Balances written off	-	1,446.72
(Appreciation) / Diminution in value of Investments	(0.86)	568.36
Provision for outstanding ESOS	29.22	-
	(7.45)	846.67
Operating Profit / (Loss) before Working Capital changes	299.27	122.81
Adjustments for Changes in the Working Capital		
Debtors	(35.96)	(28.78)
Current Assets	(69.21)	-
Loans & Advances	365.35	698.97
Current Liabilities & Provisions	10.72	(62.58)
	270.90	607.61
<b>Cash generated from Operations</b>	570.17	730.42
Direct Taxes (Paid) / Refund (net)	(52.64)	1.15
<b>Net Cash from Operating Activities (A)</b>	517.53	731.57
<b>B Cashflow from Investment Activities</b>		
Purchase of Fixed Assets	(3.91)	(18.07)
Sale of Investments	3.21	2,000.00
Dividend Received	0.00	-
Interest Received	20.63	16.33
	19.93	1,998.26
<b>Net Cash from Investment Activities (B)</b>	19.93	1,998.26
<b>C Cashflow from Financing Activities</b>		
Interest & Finance Charges	(0.97)	(0.87)
Proceeds from issue of shares (ESOP)	-	6.26
Application Money against warrants	2.00	-
Funds Borrowed / (Repaid) (net)	(541.97)	(2,787.02)
	(540.94)	(2,781.63)
<b>Net Cash from Financing Activities (C)</b>	(540.94)	(2,781.63)
<b>Net Cashflow (A + B + C)</b>	(3.48)	(51.80)
<b>Changes in the Cash &amp; Bank Balances</b>	(3.48)	(51.80)
Cash and Cash Equivalents at the beginning of the year	9.24	61.04
Cash and Cash Equivalents at the end of the year	5.76	9.24

**Notes to the cash flow statement**

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

As per our Report attached  
For and on behalf of  
**GANDHI & ASSOCIATES LLP**  
Chartered Accountants  
(FRN: 102965W/W100192)

*Gandhi*

**Milind Gandhi**  
Partner  
Membership No. 043194  
Mumbai, May 29, 2018



For and on behalf of the Board

*N. Jayakumar*  
N. Jayakumar  
Managing Director

*Anil Dharker*  
Anil Dharker  
Director

*S. R. Sharma*  
S. R. Sharma  
Director

*Pradip Dubhashi*  
Pradip Dubhashi  
Chairman

*Alpana Parida*  
Alpana Parida  
Director

*Ajay Shah*  
Ajay Shah  
Company Secretary

Mumbai, May 29, 2018

**PRIME SECURITIES LIMITED**  
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

**NOTE 1 - Property, Plant and Equipment**

Particulars	Tangible						Intangible	
	Building	Furniture & Fixture	Office Equipments	Vehicles	Computers	Total	Computer Software	Total
<b>Gross Block</b>								
Balance as at 1st April 2016	260.08	12.16	1.61	11.08	0.76	285.69	0.18	0.18
Additions	-	0.90	0.29	15.54	1.34	18.07	-	-
Adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	260.08	13.06	1.90	26.62	2.10	303.76	0.18	0.18
<b>Balance as at 1st April 2017</b>	260.08	13.06	1.90	26.62	2.10	303.76	0.18	0.18
<b>Additions</b>	-	-	0.29	-	2.38	2.67	1.24	1.24
<b>Adjustments</b>						-	-	-
<b>Disposals</b>						-	-	-
Balance as at 31st March 2018	260.08	13.06	2.19	26.62	4.48	306.43	1.42	1.42
<b>Depreciation:</b>						-	-	-
Balance as at 1st April 2016	-	-	-	-	-	-	-	-
Additions	6.55	2.02	0.57	2.81	0.57	12.52	0.16	0.16
Adjustments						-	-	-
Disposals						-	-	-
Balance as at 31st March 2017	6.55	2.02	0.57	2.81	0.57	12.52	0.16	0.16
<b>Balance as at 1st April 2017</b>	6.55	2.02	0.57	2.81	0.57	12.52	0.16	0.16
Additions	6.55	2.04	0.47	4.33	1.19	14.58	0.05	0.05
Adjustments						-	-	-
Disposals						-	-	-
Balance as at 31st March 2018	13.10	4.06	1.04	7.14	1.76	27.10	0.21	0.21
<b>Net Block:</b>						-	-	-
As at 31st March, 2017	253.53	11.04	1.33	23.81	1.53	291.23	0.02	0.02
As at 31st March, 2018	246.98	9.00	1.15	19.48	2.72	279.33	1.21	1.21

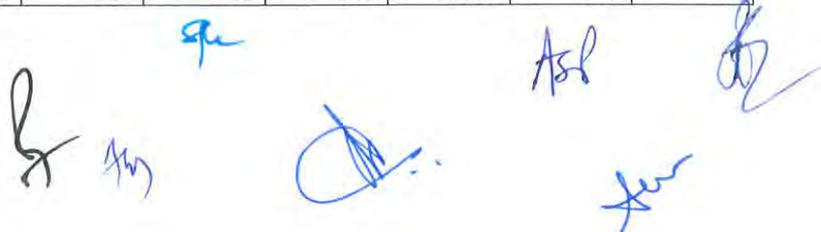
**Note:**

1. Net block of the Building include a residential flat of Rs. 246.98 lacs in a co-operative society, acquired from a debtor in satisfaction of a claim. In view of the restraining orders, the society has kept in abeyance the admission of membership of the Company. In the earlier year, pursuant to the order of the Hon'ble High Court, the possession of the flat was handed over to the Official Assignee. An appeal was filed by the Company against the said order whereby the said order was set aside. Pursuant to the fresh chamber summons filed by the Company for removing attachment, the Official Assignee has been directed not to sell or dispose-off the flat. The Company has been legally advised that the said developments will not have a bearing on the Company's title to the flat and consequently there is no impairment in the value of the asset and the Company is not likely to have any further claim or liability against the said flat.

2. The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2016 under the previous GAAP

**Deemed Cost as on 1st April 2016**

Particulars	Building	Furniture & Fixture	Office Equipments	Vehicles	Computers	Total	Computer Software	Total
<b>Gross Block</b>	392.80	19.79	4.63	126.89	2.99	547.10	1.29	1.29
Less : Accumulated Depreciation	132.72	7.63	3.02	115.81	2.23	261.41	1.11	1.11
<b>Net Block</b>	260.08	12.16	1.61	11.08	0.76	285.69	0.18	0.18



**PRIME SECURITIES LIMITED**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rs. in Lacs)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>2(A) Investment in Equity instruments (Non-Trade)</b>			
<b>Investment in Wholly-owned Subsidiary Companies</b>			
<b>(At Amortised Cost less Impairment)</b>			
<b>Unquoted, Fully Paid-up</b>			
(i) 53,41,000 (March 31, 2017 53,41,000 and April 1, 2016 53,41,000) Equity Shares of Rs. 10/- each of Prime Broking Company (India) Limited	1,719.70	1,719.70	1,719.70
(ii) 5,00,000 (March 31, 2017 5,00,000 and April 1, 2016 5,00,000) Equity Shares of Rs. 10/- each of Prime Commodities Broking (India) Limited	50.00	50.00	50.00
(iii) 3,50,000 (March 31, 2017 3,50,000 and April 1, 2016 3,50,000) Equity Shares of Rs. 10/- each of Prime Research & Advisory Limited	33.02	33.02	33.02
(iv) 16,36,000 (March 31, 2017 16,36,000 and April 1, 2016 16,36,000) Equity Shares of Rs. 10/- each of Primesec Investments Limited	798.00	798.00	798.00
	<b>2,600.72</b>	2,600.72	2,600.72
Less: Impairment in Value of Investments	<b>1,752.72</b>	1,752.72	1,752.72
<b>Total (A)</b>	<b>848.00</b>	848.00	848.00
<b>2(B) In Other Companies</b>			
<b>(At Fair Value through Profit &amp; Loss Account)</b>			
<b>I) Quoted, Fully Paid-up</b>			
(i) Nil (March 31, 2017 Nil and April 1, 2016 2,19,000) Equity Shares of Rs. 10/- each of ABG Shipyard Limited	-	-	105.26
(ii) Nil (March 31, 2017 Nil and April 1, 2016 6,500) Equity Shares of Rs. 10/- each of Dr. Datsons Lab Limited	-	-	0.41
(iii) 14,37,277 (March 31, 2017 14,37,277 and April 1, 2016 14,37,277) Equity Shares of Rs. 10/- each of EL Forge Limited	-	-	61.80
(iv) 79,000 (March 31, 2017 79,000 and April 1, 2016 79,000) Equity Shares of Rs. 10/- each of Greycells Education Limited	33.18	23.70	23.66
(v) Nil (March 31, 2017 9,23,910 and April 1, 2016 9,23,910) Equity Shares of Rs. 10/- each of IOL Netcom Limited	-	-	-
<b>Total B (I)</b>	<b>33.18</b>	23.70	191.13
<b>II) Unquoted, Fully Paid-up</b>			
(i) 18,28,300 (March 31, 2017 18,28,300 and April 1, 2016 18,28,300) Equity Shares of Rs. 10/- each of Baron International Limited	-	-	-
(ii) 1,00,000 (March 31, 2017 1,00,000 and April 1, 2016 1,00,000) Equity Shares of Rs. 10/- each of Blue Chip Technologies Limited	-	-	-
(iii) Nil (March 31, 2017 Nil and April 1, 2016 67,295) Equity Shares of Rs. 10/- each of Business India Publication Limited	-	-	69.37
(iv) 28,500 (March 31, 2017 28,500 and April 1, 2016 28,500) Equity Shares of Rs. 10/- each of Gateway Entertainment Limited	-	-	-
(v) Nil (March 31, 2017 Nil and April 1, 2016 4,01,674) Equity Shares of Rs. 10/- each of Roop Automotives Limited	-	-	1,807.53
(vi) 5,35,000 (March 31, 2017 5,35,000 and April 1, 2016 5,35,000) Equity Shares of Rs. 10/- each of Sarju International Limited	-	-	-
(vii) 3,20,000 (March 31, 2017 3,20,000 and April 1, 2016 3,20,000) Equity Shares of Rs. 10/- each of Trinity Fuels Limited	-	-	-
(viii) 6,23,687 (March 31, 2017 6,23,687 and April 1, 2016 8,73,687) Equity Shares of Rs. 10/- each of Tunip Agro Limited	-	-	602.55
	-	-	2,479.45
Less: Impairment in Value of Investments.	-	-	-
<b>Total B (II)</b>	-	-	2,479.45
<b>Total B [B (I)+B (II)]</b>	<b>33.18</b>	23.70	2,670.58
<b>3 Other Non-Current Assets</b>			
<b>Unsecured, Considered good</b>			
Advances other than Capital Advances			
(i) Security Deposit	19.93	19.93	19.93
(ii) Advance Given	327.50	327.50	-
<b>Total</b>	<b>347.43</b>	347.43	19.93
<b>4 Investment in Equity Instruments (Non-Trade)</b>			
<b>In Other Companies</b>			
<b>Quoted, Fully Paid-up</b>			
(i) Nil (March 31, 2017 Nil and April 1, 2016 9,000) Equity Shares of Rs. 10/- each of Hi-tech Plast Limited	-	-	14.80
(ii) 4,00,000 (March 31, 2017 4,00,000 and April 1, 2016 4,00,000) Equity Shares of Rs. 10/- each of International Hometex Limited	-	-	-
(iii) 41,939 (March 31, 2017 41,939 and April 1, 2016 41,939) Equity Shares of Rs. 10/- each of Solid Stone Limited	28.10	36.72	14.85
<b>Total</b>	<b>28.10</b>	36.72	29.65

# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Laacs)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>5 Trade Receivables</b> Unsecured, Considered Good.	64.73	28.78	-
<b>Total</b>	<b>64.73</b>	<b>28.78</b>	<b>-</b>
<b>6 Cash and Cash Equivalents</b> Cash on Hand	0.18	0.58	8.14
Balance with Banks in Current Accounts	5.58	8.66	52.90
<b>Total</b>	<b>5.76</b>	<b>9.24</b>	<b>61.04</b>
<b>7 Current Loans</b> <b>Unsecured, Considered Good</b> Loans to Related Parties Subsidiary Companies	5,115.67	5,483.47	6,192.49
Less: Provision for Doubtful Loans	(48.59)	(48.59)	(48.59)
<b>Total</b>	<b>5,067.08</b>	<b>5,434.88</b>	<b>6,143.90</b>
<b>8 Other Current Financial Assets</b> Other Receivables	3.58	3.58	3.58
<b>Total</b>	<b>3.58</b>	<b>3.58</b>	<b>3.58</b>
<b>9 Other Current Assets</b> <b>Advances other than Capital Advances</b> Prepaid Expenses	8.82	11.93	5.69
Other Advances	78.78	6.46	2.63
<b>Total</b>	<b>87.61</b>	<b>18.39</b>	<b>8.32</b>
<b>10 Equity Share Capital</b> <b>Authorised</b> 3,50,00,000 (March 31, 2017 3,00,000, April 1, 2016 3,00,000) Equity Shares of Rs. 5/- each	1,750.00	1,500.00	1,500.00
Nil (March 31, 2017 2,00,000, April 1, 2016 2,00,000) 13% Cumulative Redeemable Preference Shares of Rs. 100/- each	-	200.00	200.00
18,00,000 (March 31, 2017 18,00,000, April 1, 2016 18,00,000) Unclassified Shares of Rs. 100/- each	1,800.00	1,800.00	1,800.00
<b>Total</b>	<b>3,550.00</b>	<b>3,500.00</b>	<b>3,500.00</b>
<b>Issued</b> 2,72,64,525 (March 31, 2017 2,72,64,525 April 1, 2016 2,72,22,725) Equity Shares of Rs. 5/- each	1,363.23	1,363.23	1,361.14
<b>Total</b>	<b>1,363.23</b>	<b>1,363.23</b>	<b>1,361.14</b>
<b>Subscribed &amp; Fully Paid-up</b> 2,65,15,325 (March 31, 2017 2,65,15,325 April 1, 2016 2,64,73,525) Equity Shares of Rs. 5/- each	1,325.77	1,325.77	1,323.68
Add : Share Forfeiture Account [7,48,600 Equity Shares forfeited] (Refer Note no 33)	4.17	4.17	4.17
<b>Total</b>	<b>1,329.94</b>	<b>1,329.94</b>	<b>1,327.85</b>
<b>11 Other Equity</b> <b>(a) Capital Reserve</b> The Reserve comprises of Profits / Gains of Capital nature earned by the Company and credited directly to such Reserve At the Commencement and at the End of the Year	165.00	165.00	
<b>Total</b>	<b>165.00</b>	<b>165.00</b>	<b>165.00</b>
<b>(b) Capital Redemption Reserve</b> As per the Companies Act, 2013, the Capital Redemption Reserve is created when the Company purchases its own Shares out of Free Reserves or Securities Premium. A sum equal to the Nominal Value of the Shares so purchased is transferred to Capital Redemption Reserve At the Commencement and at the End of the Year.	217.27	217.27	
<b>Total</b>	<b>217.27</b>	<b>217.27</b>	<b>217.27</b>
<b>(c) Securities Premium</b> Securities Premium is used to record the premium on issue of Shares. The Reserve is utilised in accordance with the provisions of the Companies Act, 2013 At the Commencement of the Year	5,316.82	5,312.64	
Add: Received during the Year	-	4.18	
<b>Total</b>	<b>5,316.82</b>	<b>5,316.82</b>	<b>5,312.64</b>



# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lacs)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>(d) Share Options Outstanding Account</b>			
The amount is provided on determination of fair value of options in accordance with requirements of Ind AS 102			
At the commencement of the Year..	-	-	-
Add: Provided during the Year	29.22	-	-
<b>Total</b>	<b>29.22</b>	<b>-</b>	<b>-</b>
<b>(e) General Reserve</b>			
General Reserve forms part of the Retained Earnings and is permitted to be distributed to Shareholders as part of Dividend			
At the Commencement and at the End of the Year..	2,400.00	2,400.00	
<b>Total</b>	<b>2,400.00</b>	<b>2,400.00</b>	<b>2,400.00</b>
<b>(f) Surplus</b>			
At the Commencement of the Year...	(3,483.89)	(3,975.71)	
Add: Adjustment due to Restatement on Fair Value of Investments	-	1,182.79	
Add: Net Profit / (Loss) for the Year	347.20	(690.97)	
<b>Total</b>	<b>(3,136.69)</b>	<b>(3,483.89)</b>	<b>(3,975.71)</b>
<b>(g) Items of Other Comprehensive Income</b>			
<b>Remeasurement of Defined Benefit Liability</b>			
Remeasurements of the Net Defined Benefit Plans comprises Actuarial Gains and Losses and Return on Plan Assets (excluding interest income).			
At the Commencement of the Year....	(32.89)	-	
Add : Remeasurement of Defined Benefit Liability	(15.04)	(32.89)	
<b>Total</b>	<b>(47.93)</b>	<b>(32.89)</b>	<b>-</b>
<b>Total Other Equity</b>	<b>4,943.69</b>	<b>4,582.31</b>	<b>4,119.20</b>
<b>12 Borrowings - Non-Current Liabilities</b>			
<b>Secured Loan (For Security and terms of repayment : Refer Note no 34)</b>			
Term Loan from Bank	7.13	9.29	-
Other Loan from Bank	-	200.00	400.00
<b>Total</b>	<b>7.13</b>	<b>209.29</b>	<b>400.00</b>
<b>13 Non-Current Provisions</b>			
<b>Provision for Employee Benefits (Refer note no 43)</b>			
Compensated Absences	186.20	173.79	155.54
<b>Total</b>	<b>186.20</b>	<b>173.79</b>	<b>155.54</b>
<b>14 Borrowings - Current Liabilities</b>			
<b>Secured Loan (For Security and terms of repayment : Refer Note no 34)</b>			
Loans repayable on demand from Other Party	-	-	2,185.00
<b>Unsecured</b>			
Loans repayable on demand from Banks	-	-	400.00
Loans repayable on demand from Other Party.	-	30.00	555.00
Loans and advances from Related Parties	250.00	590.00	684.95
<b>Total</b>	<b>250.00</b>	<b>620.00</b>	<b>3,824.95</b>
<b>15 Trade Payables</b>			
(a) Due to Micro, Small and Medium Enterprise (Refer note no 35)	-	-	-
(b) Due to Others	31.77	53.60	114.89
<b>Total</b>	<b>31.77</b>	<b>53.60</b>	<b>114.89</b>
<b>16 Other Current Financial Liabilities</b>			
(a) Current Maturities of Long-Term Debt (Refer note no 34)	202.17	201.97	203.34
(b) Application Money received for Allotment of Warrants	2.00	-	-
<b>Total</b>	<b>204.17</b>	<b>201.97</b>	<b>203.34</b>
<b>17 Other current liabilities</b>			
(a) Revenue received in Advance	2.40	2.40	2.40
(b) Statutory Dues Payable (includes Provident Fund, GST, Withholding Tax etc.)	10.39	1.07	38.26
(c) Outstanding Expenses Payable	13.06	7.97	34.65
(d) Other Payables	-	-	-
<b>Total</b>	<b>25.85</b>	<b>11.44</b>	<b>75.31</b>
<b>18 Current Provisions</b>			
<b>Provision for Employee Benefits (Refer note no 43)</b>			
Gratuity	17.73	12.24	4.58
Compensated Absences.	16.20	15.98	14.94
<b>Total</b>	<b>33.93</b>	<b>28.22</b>	<b>19.52</b>

# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lacs)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
<b>19 Revenue from Operations</b>		
Merchant Banking and Advisory Fees	827.18	463.00
<b>Total</b>	<b>827.18</b>	<b>463.00</b>
<b>20 Other Income</b>		
Interest Income	20.63	16.33
Dividend Income	0.00	0.00
Net Gain / (Loss) on Sale of Investments	3.21	192.47
Appreciation in Value of Investments	0.86	-
Gain on Foreign Exchange Transactions	2.73	-
Rent	4.80	4.80
Reimbursement of Expenses	40.00	-
<b>Total</b>	<b>72.24</b>	<b>213.60</b>
<b>21 Employee Benefits Expense</b>		
Salaries	251.24	108.46
Contribution to Provident and Other Funds	4.16	3.73
Staff Welfare Expenses	4.11	6.32
<b>Total</b>	<b>259.51</b>	<b>118.51</b>
<b>22 Finance Costs</b>		
Interest Expense	0.97	0.87
<b>Total</b>	<b>0.97</b>	<b>0.87</b>
<b>23 Other Expenses</b>		
Electricity Expenses	3.03	3.49
Rent	37.99	39.36
Repairs & Maintenance	5.53	8.11
Insurance Premium	2.90	2.66
Rates & Taxes	0.36	1.82
Travelling & Conveyance	38.03	27.41
Consultancy & Professional Charges	95.21	45.58
Director's Sitting Fees	43.30	5.90
Auditor's Remuneration		
- For Audit Fees	6.00	6.20
- For Other Services	0.85	0.75
Corporate Social Responsibility Expenses	19.00	5.00
Diminution in Value of Investments	-	568.35
Miscellaneous Expenses	74.08	47.31
<b>Total</b>	<b>326.27</b>	<b>761.95</b>
<b>24 Extraordinary Items</b>		
Amounts Written Back	27.56	973.16
Balances Written off	-	(1,446.72)
<b>Total</b>	<b>27.56</b>	<b>(473.56)</b>
<b>25 Tax Expenses</b>		
<b>(a) Amounts recognised in Profit &amp; Loss</b>		
<b>Current Income Tax</b>	67.00	-
Adjustment in respect of Current Income Tax of Previous Year	0.64	-
<b>Deferred Income Tax Liability / (Asset), Net</b>		
Origination and Reversal of Temporary Differences	(89.23)	-
<b>Deferred Tax Expense</b>	(89.23)	-
Tax Expense for the Year	(21.59)	-
Effective Tax Rate for the Year	N. A.	N. A.
<b>(b) Amounts Recognised in Other Comprehensive Income</b>		
	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
	<b>Before Tax</b>	<b>Tax (Expense)</b>
	<b>Benefit</b>	<b>Net of Tax</b>
Items that will not be Reclassified to Profit or Loss		
Remeasurement of Defined Benefit Liability	(18.89)	3.85
	(15.04)	(32.89)
	(32.89)	-
	-	(32.89)
	(18.89)	3.85
	(15.04)	(32.89)
	(32.89)	-
	-	(32.89)

# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lacs)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17			
<b>(c) Reconciliation of Effective Tax Rate</b>					
Profit Before Tax	306.72	(690.97)			
Applicable Tax Rate	27.55%	27.55%			
Computed Tax Expense	84.51	-			
<b>Tax effect of:</b>					
Allowances	(12.65)	-			
Expenses Disallowed	14.46	-			
Capital Gains Set off against brought forward losses	(0.88)	-			
Brought forward losses	(49.19)	-			
MAT under Section 115JB	26.91	-			
<b>Current Tax Provision (A)</b>	<b>63.15</b>	-			
Deferred Tax Asset on account of Property, Plant and Equipment	(27.99)	-			
Deferred Tax Asset on account of Retirement Benefit of Employees	(61.24)	-			
<b>Deferred Tax Provision (B)</b>	<b>(89.23)</b>	-			
Adjustment in respect of Current Income Tax of Previous Year	0.64	-			
Tax Expense recognised in Statement of Profit and Loss (A) + (B) + (C)	<b>(25.44)</b>	-			
<p>The applicable Indian Corporate Statutory Rate for the Year ended March 31, 2018 and 2017 is 27.55%</p>					
<b>(d) Movement in Deferred Tax Balances</b>					
	<b>March 31, 2018</b>				
	<b>Net Balance April 1, 2017</b>	<b>Recognised in Profit or Loss</b>	<b>Net Balance March 31, 2018</b>	<b>Deferred Tax Asset</b>	<b>Deferred Tax Liability</b>
<b>Deferred Tax Asset / (Liabilities)</b>					
Property, Plant and Equipment	-	27.99	27.99	27.99	-
Employee Benefits	-	61.24	61.24	61.24	-
<b>Tax Assets / (Liabilities)</b>		<b>89.23</b>	<b>89.23</b>	<b>89.23</b>	-
Set off Tax		-	-	-	-
<b>Net Tax Assets / (Liabilities)</b>		<b>89.23</b>	<b>89.23</b>	<b>89.23</b>	-
<p>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.</p> <p>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 be recovered.</p>					
			<b>Year ended 31-Mar-18</b>	<b>Year ended 31-Mar-17</b>	
<b>26 Other Comprehensive Income</b>					
Gratuity Provision			(5.54)	(7.68)	
Leave Encashment Provision			(13.35)	(25.21)	
<b>Total</b>			<b>(18.89)</b>	<b>(32.89)</b>	



# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 27 Significant accounting policies

#### a) Basis of preparation of Financial Statements:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the section 133 of the Companies Act 2013 ("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015, and Companies (Indian Accounting Standards) Rules, 2016. For all periods up to and for the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note no 45. The financial statements were authorised for issue by the Company's Board of Directors on May 29, 2018.

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

#### Functional and presentation currency:

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

#### Historical cost convention:

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

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

#### b) Use of Estimates and Judgements:

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

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

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

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

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

##### • Recognition of deferred tax assets:

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

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

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

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

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

##### • Segment reporting:

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

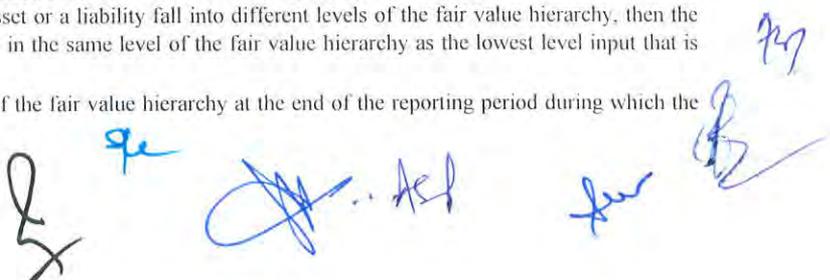
##### • Measurement of fair values:

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

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

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

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



# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### c) **Property, plant and equipment:**

#### • **Recognition and measurement:**

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

### d) **Depreciation:**

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

### e) **Intangible Fixed Assets:**

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

### f) **Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract. Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

#### **Financial Assets:**

##### **Classification:**

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

##### **Initial recognition and measurement:**

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

##### **Equity investments:**

Equity investments in subsidiaries are measured at cost less impairment.

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

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

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

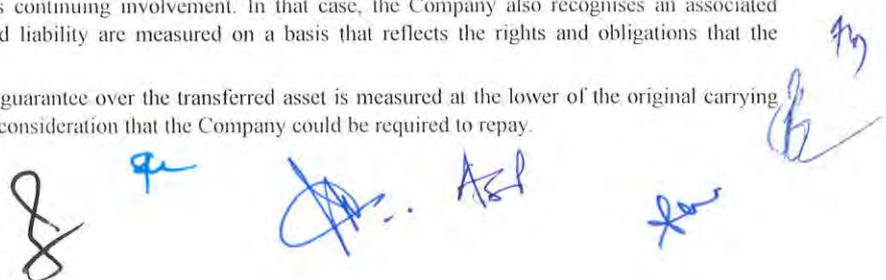
##### **Derecognition:**

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

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

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

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



# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Impairment of financial assets:

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

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

### Financial liabilities:

#### Classification

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

#### Initial recognition and measurement:

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

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

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

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

#### Derecognition:

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

#### Offsetting of financial instruments:

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

### g) Employee Benefits:

#### Short Term Employee Benefits:

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

#### Post Employment / Retirement Benefits:

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

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

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

#### Other Long Term Employee Benefits:

##### Compensated Absences:

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

### h) Foreign Exchange Transactions:

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

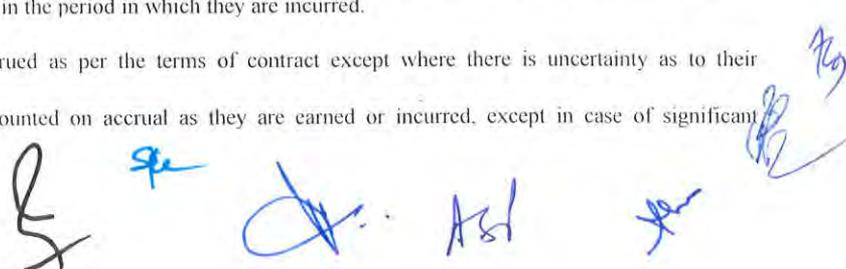
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange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

### i) Borrowing Costs:

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

### j) Recognition of Income and Expenditure:

- i) Merchant Banking and Advisory Fees are accrued as per the terms of contract except where there is uncertainty as to their realization.
- ii) Revenue/Income and Cost/Expenditure are accounted on accrual as they are earned or incurred, except in case of significant uncertainties.



# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

iv) Interest income is recognised on accrual basis.

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

### k) Leases:

#### • Lease payments:

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

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

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

### l) Impairment of non-financial assets:

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

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

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

### m) Cash and cash equivalents:

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

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

### n) Taxation:

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

#### i) Current tax:

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

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

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

#### ii) Deferred tax:

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

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

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

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:

- The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- 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.

# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### o) Provisions, Contingent Assets and Contingent Liabilities:

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

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

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

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# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

28 **Contingent Liabilities to the extent not provided for in respect of:** (Rs. in lacs)

Sr. No.	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
i)	Demands raised by Tax Authorities against which the Company has preferred appeals	13.18	13.18	13.18
ii)	Corporate guarantee given for financial facilities for subsidiaries (Amount outstanding at the close of the year)	-	-	15.00
iii)	Claims made not acknowledged as debts	-	1,855.99	2,593.34

29 The Company has a financial exposure of Rs. 5,341.37 lacs (Rs. 5,974.11 lacs) in its wholly-owned subsidiary viz. Primesec Investments Limited ('PIL') - investment in equity shares of Rs. 798.00 lacs (Rs. 798.00 lacs) and loans & advances of Rs. 4,543.37 lacs (Rs. 5,176.11 lacs). PIL has a negative net worth of Rs. 4,263.02 lacs (Rs. 5,083.02 lacs). However, having regard to efforts undertaken by the Board of PIL, among other things to negotiate re-statement of loans and realize value of its investments, the financial statements of PIL have been prepared on the basis that it is a going-concern and that no adjustments are required to the carrying value of assets and liabilities. Considering that the Company's investment in PIL is of strategic and long term in nature and having regard to the efforts undertaken by the Board of PIL, no provision is considered necessary by the management for diminution in the value of the Company's financial exposure in PIL.

30 The Company has advanced Rs. 175.22 lacs (Rs. 143.22 lacs) to its wholly-owned subsidiary viz. Prime Research & Advisory Limited ('PRAL'). PRAL has a negative net worth of Rs. 234.32 lacs (Rs. 343.35 lacs). However, having regard to efforts undertaken by the Board of PRAL, among other things to negotiate re-statement of loans and realize value of its investments, the financial statements of PRAL have been prepared on the basis that it is a going-concern and that no adjustments are required to the carrying value of assets and liabilities. Considering that the Company's investment in PRAL is of strategic and long term nature and having regard to the efforts undertaken by the Board of PRAL, no provision is considered necessary by the management.

31 In the earlier financial years, the company had written-back Rs. 1,400 Lacs as in the opinion of the management, the same was no longer payable. The Company has been legally advised that there will be no liability due as the debt had become time-barred.

32 In the earlier financial year, the Company has reinstated an advance of Rs. 327.50 lacs which was previously written-off as not recoverable. The management is hopeful of recovery of the same.

### 33 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. 5/- 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, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Judith Investments Private Limited	1,783,497	6.73	2,683,497	10.12	2,683,497	10.14
N. Jayakumar	3,124,759	11.78	2,084,759	7.86	2,084,759	7.87
Videocon Industries Limited	-	-	-	-	1,762,565	6.66

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

Particulars	2017-18		2016-17		2015-16	
	Numbers	Rs. in Lacs	Numbers	Rs. in Lacs	Numbers	Rs. in Lacs
Opening Balance	26,515,325	265.15	26,473,525	264.74	26,473,525	264.74
Add: Shares issued during the year	-	-	41,800	0.42	-	-
Closing Balance	26,515,325	265.15	26,515,325	265.15	26,473,525	264.74

#### Employees Stock Option Schemes (ESOS)

The Company's stock based compensation plan for employees comprises of three schemes viz. the ESOS 2007 Scheme, ESOS 2008 and the ESOS 2009 Scheme. The schemes have been instituted for all eligible employees of the Company and its subsidiaries. The Company has reserved issuance of 488,400 (Previous year 842,200) Equity Shares of Rs. 5/- each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS) approved by Members. During the year, the Company has granted NIL (Previous year NIL) Options to the eligible employees.

##### ESOS 2007 Scheme

The Scheme permits allocation of an aggregate of 1,000,000 equity shares of the face value of Rs. 5/- per share to the eligible employees on the recommendation of the Compensation Committee at an exercise price of Rs. 38/-.

##### ESOS 2008 Scheme

The Scheme permits allocation of an aggregate of 1,200,000 equity shares of the face value of Rs. 5/- per share to the eligible employees on the recommendation of the Compensation Committee at an exercise price of Rs. 15/-.

##### ESOS 2009 Scheme

The Scheme permits allocation of an aggregate of 2,000,000 equity shares of the face value of Rs. 5/- per share to the eligible employees on the recommendation of the Compensation Committee at an exercise price of Rs. 38/-.

The number of options granted, exercised and lapsed under the above schemes is set out below:

Particulars (Exercise Price)	ESOS 2007 (Rs. 38/-)		ESOS 2008 (Rs. 15/-)		ESOS 2009 (Rs. 38/-)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Options outstanding, beginning of the Year	40,000	80,000	-	88,400	213,200	320,000
Add: Granted during the Year	-	-	-	-	-	-
Less: Exercised during the Year	-	-	-	41,800	-	-
Less: Lapsed during the Year	40,000	40,000	-	46,600	106,800	106,800
Options outstanding, end of the Year	-	40,000	-	-	106,400	213,200

# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options during the year are as follows:

Sr. No.	Particulars	2017-18
(A)	Weighted average risk-free rate	8.10%
(B)	Weighted average expected life of options	8 years
(C)	Weighted average expected volatility	64.25%
(E)	Weighted average share price	Rs. 37.05 Per Share
(F)	Weighted average exercise price	Rs. 38 Per Share
(G)	Method used to determine expected volatility	Based on the returns generated on equity shares of Company for the period from 2005 to 2010

Expense on Employee Stock Options Scheme debited to the Statement of Profit and Loss during the year is Rs. 29.22 Lakhs

### 34 Borrowings:

#### (A) Secured loans:

##### a) Term Loan from Bank:

Term loan of Rs. 9.29 Lakhs (March 31, 2017 Rs. 11.26 lakhs) from the Bank is secured against Vehicle of the Company.

##### b) Other Loan from Bank:

Other Loan from Bank of Rs. 200 Lakhs (March 31, 2017 Rs. 400 Lakhs, March 31, 2016 Rs. 600 Lakhs) is secured against pledge of shares of other parties.

##### c) Term of Repayment

Term Loan from Bank is repayable in equal monthly instalment, the last instalment is due on December 1, 2021 as per repayment schedule having interest rate of 9.50% p.a. Other Loan from bank is interest free and repayable in equal yearly instalment, the last instalment is due on December 31, 2018.

#### (B) Unsecured loans:

Loan from other party is unsecured, interest free and repayable on demand. Loan from related party is from an associate company in which a director is interested. It is an interest free unsecured loan and repayable on demand.

### 35 Dues to micro and small suppliers:

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Principal amount remaining unpaid to any supplier as at the year end	-	-	-
Interest due thereon	-	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-

### 36 Related Party Disclosures:

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

#### Names of related parties and their relationships:

##### Subsidiary Companies:

Prime Broking Company (India) Limited  
Prime Research & Advisory Limited  
Prime Commodities Broking (India) Limited  
Primesec Investments Limited

##### Associate Companies:

Gateway Entertainment Limited  
Judith Investments Private Limited

##### Key Management Personnels:

Mr. N. Jayakumar  
Mr. Ajay Shah

##### Independent Directors:

Mr. Pradip Dubhashi  
Mr. S R Sharma  
Mr. Anil Dharker  
Ms. Alpana Parida

##### Relative of Key Management Personnel:

Mrs. Madhu Jayakumar

The following transactions were carried out with the related parties in the ordinary course of business during the year 2017 - 2018:

(Rs. in lacs)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Interest received from Prime Commodities Broking (India) Limited	Subsidiary	17.71	8.18
2	Inter corporate deposit paid to Prime Commodities Broking (India) Limited	Subsidiary		
	Sums Paid		1,167.45	189.00
	Refund received		950.45	423.50

# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3	Interest free Inter corporate deposit paid to Prime Research & Advisory Limited Sums Received Sums paid	Subsidiary	1.00 33.00	- 63.20
4	Interest free Inter corporate deposit given to Primesec Investment Limited Sums paid Sums Received	Subsidiary	1,217.62 1,850.36	79.28 625.00
5	Interest free Inter corporate deposit received from Gateway Entertainment Limited Write back of ICD no longer payable	Associate Company	30.00	-
6	Remuneration paid to Key Managerial Personnel	Key Management Personnel	159.00	66.28
7	Sitting Fees for Board and Audit Committee Meetings to Independent Directors	Key Management Personnel	43.30	5.90
8	Shares issued to Key Managerial Personnel	Key Management Personnel	-	2.49
9	Repayment of Interest free unsecured loan received from Mr. N Jayakumar	Key Management Personnel	255.00	94.95
10	Repayment of Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited	Associate Company	85.00	-

### Outstanding Balance

(Rs. in lacs)

Sr. No.	Nature of Transaction	Relationship	Balance as on	
			March 31, 2018	March 31, 2017
1	Outstanding amount receivable from Prime Broking Company (India) Limited on current account	Subsidiary	48.59 (Debit)	48.59 (Debit)
2	Inter corporate deposit given to Prime Commodities Broking (India) Limited	Subsidiary	348.49 (Debit)	115.55 (Debit)
3	Interest free Inter corporate deposit given to Prime Research & Advisory Limited	Subsidiary	175.22 (Debit)	143.22 (Debit)
4	Interest free Inter corporate deposit given to Primesec Investment Limited	Subsidiary	4543.37 (Debit)	5176.11 (Debit)
5	Interest free Inter corporate deposit from Gateway Entertainment Limited	Associate Company	-	30.00 (Credit)
6	Interest free unsecured loan from Mr N Jayakumar	Key Management Personnel	-	255.00 (Credit)
7	Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited	Associate Company	250.00 (Credit)	335.00 (Credit)

### Note:

The remuneration paid to key managerial personnel excludes gratuity and compensated absences as the provision is computed for the company as a whole and separate figures are not available.

### 37 Operating Lease in respect of Assets taken on Lease:

(Rs. in lacs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
i) Total of future minimum lease payments		
a) Not later than one year	38.16	33.49
b) Later than one year and not later than five years	41.64	51.30
ii) Lease payments recognised in the Profit and Loss account	37.99	39.36

38 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.

### 39 Subsequent Events :

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

### 40 Corporate Social Responsibility

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

(a) Gross amount required to be spent by the Company during the year 2017-18 Rs. 5.47 lakhs (Previous year Rs.Nil).

(b) Amount spent during the year on:

(Rs. in lacs)

Particulars	2017-18	2016-17	2015-16
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	19.00	5.00	-

**PRIME SECURITIES LIMITED**  
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

41 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 lacs)

March 31, 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Non Current Investments *	33.18			33.18				-
Security Deposits			19.93	19.93		19.93		19.93
Advance Given			327.50	327.50				-
Quoted Equity Shares	28.10			28.10				-
Trade receivables			64.73	64.73				-
Cash and cash equivalents			5.76	5.76				-
Loans			5,067.08	5,067.08		5,067.08		5,067.08
Other Current Financial Assets			3.58	3.58				-
	<b>61.28</b>	<b>-</b>	<b>5,488.58</b>	<b>5,549.86</b>	<b>-</b>	<b>5,087.01</b>	<b>-</b>	<b>5,087.01</b>
<b>Financial liabilities</b>								
Non - current borrowings			7.13	7.13		7.13		7.13
Current borrowings			250.00	250.00				-
Trade and other payables			31.77	31.77				-
Other Current financial liabilities			204.17	204.17				-
	<b>-</b>	<b>-</b>	<b>493.07</b>	<b>493.07</b>	<b>-</b>	<b>7.13</b>	<b>-</b>	<b>7.13</b>

(Rs. in lacs)

March 31, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Non Current Investments *	23.70			23.70				-
Security Deposits			19.93	19.93		19.93		19.93
Advance Given			327.50	327.50				-
Quoted Equity Shares	36.72			36.72				-
Trade receivables			28.78	28.78				-
Cash and cash equivalents			9.24	9.24				-
Loans			5,434.88	5,434.88		5,434.88		5,434.88
Other Current Financial Assets			3.58	3.58				-
	<b>60.42</b>	<b>-</b>	<b>5,823.90</b>	<b>5,884.32</b>	<b>-</b>	<b>5,454.81</b>	<b>-</b>	<b>5,454.81</b>
<b>Financial liabilities</b>								
Non - current borrowings			209.29	209.29		209.29		209.29
Current borrowings			620.00	620.00				-
Trade and other payables			53.60	53.60				-
Other Current financial liabilities			201.97	201.97				-
	<b>-</b>	<b>-</b>	<b>1,084.86</b>	<b>1,084.86</b>	<b>-</b>	<b>209.29</b>	<b>-</b>	<b>209.29</b>

(Rs. in lacs)

April 1, 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Non Current Investments *	191.13			191.13				-
Security Deposits			19.93	19.93		19.93		19.93
Quoted Equity Shares	29.65			29.65				-
Cash and cash equivalents			61.04	61.04				-
Loans			6,143.90	6,143.90		6,143.90		6,143.90
Other Current Financial Assets			3.58	3.58				-
	<b>220.78</b>	<b>-</b>	<b>6,228.45</b>	<b>6,449.23</b>	<b>-</b>	<b>6,163.83</b>	<b>-</b>	<b>6,163.83</b>
<b>Financial liabilities</b>								
Non - current borrowings			400.00	400.00		400.00		400.00
Current borrowings			3,824.95	3,824.95				-
Trade and other payables			114.89	114.89				-
Other Current financial liabilities			203.34	203.34				-
	<b>-</b>	<b>-</b>	<b>4,543.18</b>	<b>4,543.18</b>	<b>-</b>	<b>400.00</b>	<b>-</b>	<b>400.00</b>

\* 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.

*[Handwritten signatures and initials]*

**PRIME SECURITIES LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**Financial instruments measured at fair value**

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

**C) Financial risk management**

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

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

**i) Risk management framework**

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

The Audit Committee oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal auditors.

**ii) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

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

**Trade receivables and loans and advances.**

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

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

For trade receivables, the company individually monitors outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

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

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

**Impairment:**

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

Particulars	Carrying amount (Rs. in lacs)		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Neither past due nor impaired</b>			
Past due 1-90 days	-	10.50	
Past due 91-180 days	61.45		
Past due 181-365 days	-	18.28	
Past due 366 days	3.28		
	<b>64.73</b>	28.78	-

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. 5.76 lacs as on March 31, 2018 (March 31, 2017: Rs. 9.24 lacs and April 1, 2016: Rs. 61.04 lacs). The cash and cash equivalents are held with banks with good credit ratings.

**Loans and Advances:**

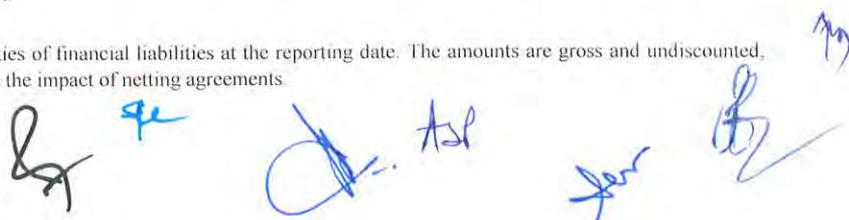
The Company held Loans and advances of Rs. 5,070.66 lacs as on March 31, 2018 (March 31, 2017: Rs. 5,438.45 lacs and April 1, 2016: Rs. 6,147.48 lacs). The loans and advances are in nature of advances to subsidiaries and rent deposit paid to landlords and are fully recoverable in the opinion of the management.

**iii) Liquidity risk**

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

**Maturity profile of financial liabilities**

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



**PRIME SECURITIES LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rs in lacs)

March 31, 2018	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	257.13	257.13	250.00	-	5.00	2.13	
Trade and other payables	31.77	31.77	31.77	-	-	-	
Other financial liabilities	204.17	204.17	2.00	202.17	-	-	

(Rs in lacs)

March 31, 2017	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	829.29	829.29	620.00		204.54	4.75	
Trade and other payables	53.60	53.60	53.60				
Other financial liabilities	201.97	201.97	0.97	201.00			

(Rs in lacs)

April 1, 2016	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	4,224.95	4,224.95			400.00	3,824.95	
Trade and other payables	114.89	114.89	114.89				
Other financial liabilities	203.34	203.34	1.68	201.66			

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

iv) **Market risk**

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

**Currency risk**

The Company is not significantly exposed to currency risk. The functional currency of the Company is Indian Rupee.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2018 are as below:

March 31, 2018	GBP
<b>Financial assets</b>	
Trade and other receivables	66,600
	66,600

v) **Interest rate risk**

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

**PRIME SECURITIES LIMITED**  
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

**42 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	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Non-Current Borrowings	7.13	209.29	400.00
Current Borrowings	250.00	620.00	3,824.95
Current maturity of long term debt	202.17	201.97	203.34
<b>Gross Debt</b>	<b>459.29</b>	<b>1,031.26</b>	<b>4,428.29</b>
Total equity	6,273.63	5,912.25	5,447.05
Adjusted Net debt to equity ratio	0.07	0.17	0.81

**43 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. 4.16 lacs for year ended March 31, 2018 (Rs. 3.73 lacs for year ended March 31, 2017) provident fund contributions in the Statement of Profit and Loss.

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

**(ii) Defined Benefit Plan:**

**Gratuity**

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(Rs. in lacs)

A) Particulars	Gratuity		
	March 31, 2018	March 31, 2017	April 1, 2016
Defined benefit obligation	42.60	34.88	25.60
Fair value of Plan Assets at the end of the year	24.88	22.62	21.02
Net Obligation at the end of the year	17.72	12.26	4.58

**B) Movement in net defined benefit (asset) liability**

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

(Rs. in lacs)

Particulars	Gratuity								
	Defined benefit obligation			Fair value of plan assets			Net defined benefit (asset) liability		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Opening balance</b>	34.88	25.60	13.27	22.62	21.02	19.37	12.27	4.58	(6.11)
Included in profit or loss	-	-	9.96	-	-	-	-	-	9.96
Current service cost	7.83	6.55	1.31	-	-	-	7.83	6.55	1.31
Past service cost	-	-	-	-	-	-	-	-	-
Interest cost (income)	2.57	2.04	1.06	1.66	1.67	1.55	0.90	0.37	(0.49)
	<b>45.28</b>	<b>34.19</b>	<b>25.60</b>	<b>24.28</b>	<b>22.69</b>	<b>20.92</b>	<b>21.00</b>	<b>11.50</b>	<b>4.68</b>
<b>Included in OCI</b>									
Remeasurement loss (gain):									
Actuarial loss / (gain) arising from:	2.68	(0.69)	-	(0.01)	0.10	(0.09)	2.68	(0.80)	0.09
Demographic assumptions									
Financial assumptions									
Experience adjustment									
Return on plan assets excluding interest income									
	<b>42.61</b>	<b>34.88</b>	<b>25.60</b>	<b>24.29</b>	<b>22.59</b>	<b>21.02</b>	<b>18.32</b>	<b>12.30</b>	<b>4.58</b>
<b>Other</b>									
Contributions paid by the employer	-	-	-	0.60	0.03	-	(0.60)	(0.03)	-
Benefits paid									
<b>Closing balance</b>	<b>42.61</b>	<b>34.88</b>	<b>25.60</b>	<b>24.88</b>	<b>22.62</b>	<b>21.02</b>	<b>17.72</b>	<b>12.27</b>	<b>4.58</b>
Represented by									
Net defined benefit asset							(24.88)	(22.62)	(21.02)
Net defined benefit liability							42.61	34.88	25.60
							<b>17.72</b>	<b>12.26</b>	<b>4.58</b>

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Ass

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

**C) Plan assets**

**Plan assets comprise the following:**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Fund managed by Insurance Company	24.88	22.62	21.02
	24.88	22.62	21.02

**D) Defined benefit obligations**

**i) Actuarial assumptions**

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

	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.88%	7.36%	7.96%
Expected Rate of Return on Plan Assets	7.88%	7.36%	7.96%
Salary escalation rate	5%	5%	5%
Employee Turnover	2%	2%	2%
Mortality rate	N.A.	N.A.	N.A.
	<b>Indian Assured Lives Mortality (2006-08) Ult.</b>	<b>Indian Assured Lives Mortality (2006-08) Ult.</b>	<b>Indian Assured Lives Mortality (2006-08) Ult.</b>

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

**ii) Sensitivity analysis**

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

Particulars	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.65)	3.01	(2.60)	2.98
Future salary growth (1% movement)	3.07	(2.75)	3.02	(2.68)
Rate of employee turnover (1% movement)	0.31	(0.37)	0.12	(0.18)

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

**Expected future cash flows**

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

**Expected contribution**

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2018, i.e. Rs. 0.60 lacs

Expected future benefit payments	(Rs. in lacs)
March 31, 2019	0.79
March 31, 2020	1.39
March 31, 2021	1.45
March 31, 2022	27.52
March 31, 2023	0.74
Thereafter	51.49

**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. 13.35 lacs (March 31, 2017 Rs. 25.21 lacs) and is included in Note 26 - 'Other Comprehensive Income'. Accumulated non-current provision for leave encashment aggregates Rs. 186.20 lacs (March 31, 2017 Rs. 173.79 lacs and April 1, 2016 Rs. 155.54 lacs) and current provision aggregates Rs. 16.20 lacs (March 31, 2017 Rs. 15.98 lacs and April 1, 2016 Rs. 14.94 lacs).

**44 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, 2018	March 31, 2017
Continuing operations	347.20	(690.97)
Profit attributable to equity holders of the Company for basic earnings	347.20	(690.97)
Profit attributable to equity holders of the Company adjusted for the effect of dilution	347.20	(690.97)

**b) Weighted average number of ordinary shares** (Rs. in lacs)

Particulars	March 31, 2018	March 31, 2017
Issued ordinary shares at April 1	26,515,325	26,473,525
Effect of shares issued for cash	-	41,800
Weighted average number of shares at March 31 for basic and Diluted EPS	26,515,325	26,515,325

**c) Basic and Diluted earnings per share** (Rs. in lacs)

	March 31, 2018	March 31, 2017
Basic earnings per share	1.31	(2.61)
Diluted earnings per share	1.31	(2.61)

# PRIME SECURITIES LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 45 First-time adoption of Ind AS

#### A) Transition to Ind AS

For the purposes of reporting as set out in Note 27, the Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 27 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the "transition date").

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

#### B) Exemptions and exceptions availed

##### 1) Ind AS mandatory exceptions

###### 1.1) Estimates

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

1) Investment in equity instruments carried at FVTPL;

###### 1.2) Classification and measurement of financial assets

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

##### 2) Ind AS optional exemptions

###### 2.1) Deemed cost

The Company has elected to continue with the carrying value for all of its property, plant and equipment, intangible assets recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the IGAAP

###### 2.2) Deemed cost for investments in subsidiaries and Joint Ventures

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

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

#### C) Reconciliation between IGAAP and Ind AS:

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

##### 1) Reconciliation of equity as at April 1, 2016

(Rs. in lacs)

Particulars	Footnote No.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
(a) Property, Plant and Equipment		285.69	-	285.69
(b) Capital work-in-progress		-	-	-
(c) Other Intangible assets		0.18	-	0.18
(d) Financial Assets		-	-	-
(i) Investments in Subsidiaries		848.00	-	848.00
(ii) Investments	2	3,865.23	(1,194.65)	2,670.58
(e) Non-Current Advance Tax Assets (Net)		169.73	-	169.73
(f) Other non-current assets		19.93	-	19.93
<b>Total non current assets</b>		<b>5,188.76</b>	<b>(1,194.65)</b>	<b>3,994.11</b>
<b>2) Current Assets</b>				
(a) Financial Assets		-	-	-
(i) Investments	2	17.80	11.85	29.65
(ii) Trade Receivables		-	-	-
(iii) Cash and Cash Equivalents		61.04	-	61.04
(iv) Loans		6,143.90	-	6,143.90
(v) Other Financial Assets		3.58	-	3.58
(b) Other current assets		8.32	-	8.32
<b>Total current assets</b>		<b>6,234.64</b>	<b>11.85</b>	<b>6,246.49</b>
<b>TOTAL ASSETS</b>		<b>11,423.40</b>	<b>(1,182.80)</b>	<b>10,240.60</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
(a) Equity share capital		1,327.85	-	1,327.85
(b) Other equity	2	5,301.99	(1,182.80)	4,119.19
<b>Total Equity</b>		<b>6,629.84</b>	<b>(1,182.80)</b>	<b>5,447.04</b>
<b>2) Non current liabilities</b>				
(a) Financial liabilities		-	-	-
(i) Borrowings		400.00	-	400.00
(b) Provisions		155.54	-	155.54
<b>Total non current liabilities</b>		<b>555.54</b>	<b>-</b>	<b>555.54</b>

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## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

<b>3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings		3,824.95	3,824.95
(ii) Trade payables		114.89	114.89
(iii) Other financial liabilities		203.34	203.34
(b) Other current liabilities		75.31	75.31
(c) Provisions		19.53	19.53
<b>Total Current liabilities</b>		4,238.01	4,238.01
<b>Total liabilities</b>		4,793.56	4,793.56
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,423.40</b>	<b>(1,182.80) 10,240.60</b>

### II) Reconciliation of equity as at March 31, 2017

(Rs. in laacs)

Particulars	Footnote No.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
(a) Property, Plant and Equipment		291.23		291.23
(b) Capital work-in-progress		-		-
(c) Other Intangible assets		0.02		0.02
(d) Financial Assets				
(i) Investments in Subsidiaries		848.00		848.00
(ii) Investments	2	614.09	(568.35)	45.74
(e) Non-Current Advance Tax Assets (Net)		168.59		168.59
(f) Other non-current assets		347.43		347.43
<b>Total non current assets</b>		2,269.36	(568.35)	1,701.01
<b>2) Current Assets</b>				
(a) Financial Assets				
(i) Investments		14.68		14.68
(ii) Trade Receivables		28.78		28.78
(iii) Cash and Cash Equivalents		9.24		9.24
(iv) Loans		5,434.87		5,434.87
(v) Other Financial Assets		3.58		3.58
(b) Other current assets		18.40		18.40
<b>Total current assets</b>		5,509.55	-	5,509.55
<b>TOTAL ASSETS</b>		<b>7,778.91</b>	<b>(568.35)</b>	<b>7,210.56</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
(a) Equity share capital		1,329.94		1,329.94
(b) Other equity	2	5,150.67	(568.35)	4,582.32
<b>Total Equity</b>		6,480.61	(568.35)	5,912.26
<b>2) Non current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings		209.29		209.29
(b) Provisions		173.79		173.79
<b>Total non current liabilities</b>		383.08	-	383.08
<b>3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings		620.00		620.00
(ii) Trade payables		53.60		53.60
(iii) Other financial liabilities		201.97		201.97
(b) Other current liabilities		11.44		11.44
(c) Provisions		28.22		28.22
<b>Total Current liabilities</b>		915.23	-	915.23
<b>Total liabilities</b>		1,298.31	-	1,298.31
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,778.91</b>	<b>(568.35)</b>	<b>7,210.56</b>

### III) Reconciliation of equity as at March 31, 2017

(Rs. in laacs)

Particulars	Footnote No.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
<b>I. Revenue from Operations (Gross)</b>		463.00		463.00
<b>II. Other income</b>		213.60		213.60
<b>III. Total Revenue (I+II)</b>		676.60		676.60
<b>IV. Expenses</b>				
Employee Benefits Expenses	1	151.40	(32.89)	118.51
Finance costs		0.87		0.87
Depreciation and Amortization Expenses		12.68		12.68

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## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Other Expenses	2	193.59	568.35	761.94
<b>Total Expenses</b>		358.54	535.46	894.00
<b>V. Profit/(loss) before Exceptional Items and taxes</b>		318.06	(535.46)	(217.41)
<b>VI. Exceptional Items</b>		(473.56)		(473.56)
<b>VII. VII. Profit/(loss) before Tax</b>		(155.50)	(535.46)	(690.97)
<b>VIII. Tax expense:</b>				
1. Current Tax				
2. Deferred Tax				
3. Tax for Earlier years				
<b>IX. Profit/(Loss) for the period from continuing operations</b>		(155.50)	(535.46)	(690.97)
<b>X. Profit/(Loss) for the period</b>		(155.50)	(535.46)	(690.97)
<b>XI. Other comprehensive income</b>				
<b>A (i) Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit liability (asset)	1		(32.89)	(32.89)
<b>B (i) Items that will be reclassified to profit or loss</b>				
Effective portion of (Loss)/Gain on hedging instrument in a cash flow hedge		-	(32.89)	(32.89)
Other comprehensive income (net of tax)		-		-
<b>XV. Total comprehensive income for the period</b>		(155.50)	(568.35)	(723.86)

**1) Actuarial gain and loss**

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under IGAAP the Company recognised actuarial gains and losses in profit and loss. However this has no impact on the total comprehensive income and total equity as on April 1, 2016 or as on March 31, 2017. The Employee Benefit Expenses and Other Comprehensive Income were reduced by Rs. 32.89 lacs each.

**2) Fair Valuation of Investments**

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

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

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